



City of Holly Springs

Date: Monday, February 4, 2019

Location: 3235 Holly Springs Pkwy

Finance Committee Meeting Agenda 6:00 p.m., Public Safety Conference Room

I. CALL TO ORDER

II. NEW BUSINESS

A. Interview external Financial Audit Firms

- Mauldin & Jenkins
- RL Jennings & Associates

III. ADJOURNMENT

City of Holly Springs, Georgia



Proposal to Provide Audit Services RFP No. 2018-02

Years December 31, 2018 through 2021

Mauldin & Jenkins Certified Public Accountants

Contact Person: James Bence, CPA, Partner

Phone: (770) 955-8600

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200 Galleria Parkway
Suite 1700
Atlanta, Georgia 30339
Web: www.mjcpa.com

**MAULDIN
& JENKINS**



Over 450 Governmental Units Served



*We Do Things Right &
We Do the Right Things*

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Transmittal Letter

January 4, 2019

City of Holly Springs
Attn: Mr. Rob Logan
3237 Holly Springs Parkway
Holly Springs, Georgia 30142

Ladies and Gentlemen:

We appreciate the opportunity to propose on providing audit services to Holly Springs, Georgia (the "City"), and we are pleased to submit a proposal package including cost estimates to provide annual financial and compliance auditing services for the City. It is our understanding that the City is requesting proposals from qualified firms of certified public accountants to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract for such audit services will be for four (4) consecutive fiscal years beginning with the fiscal year ended December 31, 2018 and ending with the fiscal year ended December 31, 2021, with an option for two (2) additional years.

We have read the Request for Proposal (RFP) and fully understand its intent and contents. We understand the time frame for performance of the annual financial audits as stipulated by the City, and agree to provide the services described in the proposal. We will conduct preliminary and final fieldwork and will issue all of the deliverables and reports substantially prior to the required due dates.

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

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

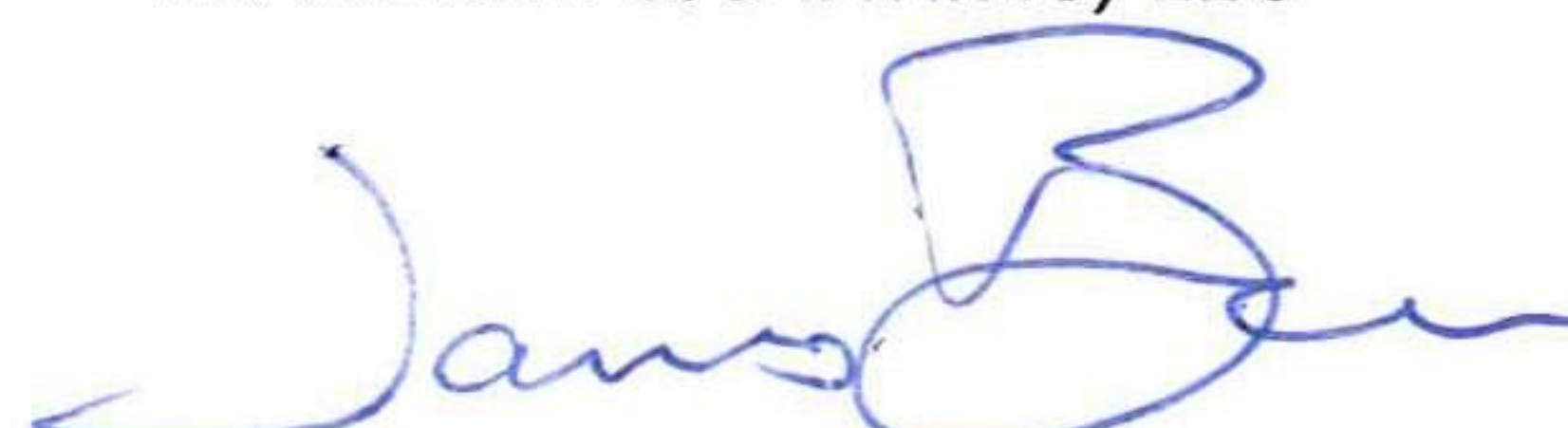
- 450 state and local governments across the Southeastern U.S.A.
- 110 cities (78 in Georgia);
- 50 counties (40 in Georgia);
- 55 school districts (47 in Georgia) and 35 charter schools;
- 40 state agencies, authorities, commissions and departments;
- 45 stand-alone business-type utility authorities (water/sewer, gas, electric, airports & transit)
- 105 stand-alone governmental special purpose entities (housing, industrial development, health & welfare, other educational, retirement, libraries, etc.);
- 115 governments awarded the GFOA's and, or ASBO's Financial Reporting Certificates.

Mauldin & Jenkins provides over 100,000 hours of service to approximately 450 governmental units in the Southeast on an annual basis utilizing over 100 professionals.

- ❖ **Experience with Client Transitions.** Over the past 17 years, we have experienced approximately 450 transitions as the new auditors of governmental entities. Our team offers a great deal of experience with serving new clients, and providing a smooth transition during the change in auditors.
- ❖ **Staff Continuity.** Our staff retention rates are considered to be among the best in the profession (and much better than national and other regional firms). This fact, coupled with our vast array of government clients, results in a staff pool highly experienced with governmental entities with the definite capacity to serve the City. We are able to not only provide consistency with the partner and manager on our engagement teams, but seniors as well. We also have enough resources at the partner, manager, and senior levels to provide for periodic rotations as requested by our clients.
- ❖ **Education.** Mauldin & Jenkins' clients have the opportunity to register and receive approximately thirty (30) hours of continuing education on an annual basis, free of charge. We take our experience in serving governments, and choose timely and relevant topics to provide ongoing education to our clients. Sessions are limited to clients only.
- ❖ **Responsiveness.** We pride ourselves in responding to the needs of our clients and meeting their deadlines. This responsiveness is not only the ability to meet specified audit deadlines, but also the ability to respond to other requests. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients. Our resources provide for the flexibility to meet your needs and to perform our services in an efficient and effective manner.
- ❖ **Organized to Specifically Meet Your Needs.** Our partners, managers, and seniors in the Firm's Governmental Practice Division spend 100% of their time serving governments. By structuring the Firm's Governmental Practice Division in such a manner, we are able to create efficiencies in the audit process which typically result in our total hours being significantly less than most other firms.
- ❖ **Nationally Recognized.** For the past 40 years, Mauldin & Jenkins has been consistently ranked in the Top 100 by *Accounting Today* as well as *Inside Public Accounting* trade associations and magazines as one (1) of the largest certified public accounting firms in the country. Tommye Barie (a 2018 retired partner with Mauldin & Jenkins) served as the 2015 Chair of the Board of Directors of the AICPA. Joel Black participates on several AICPA governmental committees and is a nationally known presenter in the governmental sector. Miller Edwards is also a well know speaker across the Southeast, and has taught for the University of Georgia's Carl Vinson Institute of Government over a 20 year period.

This proposal represents a firm offer for 120 days from the date of the proposal. As a member of Mauldin & Jenkins, James Bence is authorized to bind, and make representations for the Firm, and he will be the ultimate party responsible for the quality of the report and working papers. We welcome the opportunity to meet with management and city council officials to present our proposal and our qualifications. Please contact us at (770) 955-8600, 200 Galleria Parkway, Suite 1700, Atlanta, GA 30339. Again, on behalf of Mauldin & Jenkins, thank you for the opportunity to serve.

Sincerely,
MAULDIN & JENKINS, LLC



James Bence, Partner

Firm Qualifications and Experience

Primary Contact Information

Firm name:	Mauldin & Jenkins, LLC
Address of firm:	200 Galleria Parkway, Suite 1700 Atlanta, Georgia 30339
Telephone:	(770) 955-8600 (office) (770) 980-7732 (direct – James Bence)
Email:	jbence@mjcpa.com
Location of Services:	Atlanta Office will be the office serving the City

Organization and Size - Regional Firm

Mauldin & Jenkins was formed in approximately 1918 and has been actively engaged in governmental auditing since its inception. Mauldin & Jenkins is one (1) of Georgia's largest locally owned provider of audit and accounting services, and one (1) of the largest certified public accounting firms in the country. Mauldin & Jenkins serves clients throughout the Southeastern United States. Mauldin & Jenkins is a large regional firm. We have offices in the following eight (8) communities:

*Atlanta -- Savannah -- Macon -- Albany
Columbia, SC -- Birmingham, AL -- Bradenton, FL -- Chattanooga, TN*



- **Atlanta**
- **Macon**
- **Albany**
- **Savannah**
- **Chattanooga**
- **Columbia**
- **Bradenton**
- **Birmingham**

As noted in our transmittal letter, Mauldin & Jenkins provides over 100,000 hours of service to governmental entities on an annual basis. The Firm's governmental practice is the largest niche in the Firm representing approximately 25% of the Firm's total practice. However, size and resources alone are not the most meaningful measure of success; in the end, our clients remain the best judges of Mauldin & Jenkins' value.

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

- **350,000** - approx. total hours of service provided annually to clients of the Firm
- **100,000** - approx. total hours of service provided annually to governmental clients
- **50%** - percentage of governmental practice as compared to Firm's attestation practice
- **28%** - percentage of governmental practice as compared to Firm's overall practice
- **450** - approx. total governmental entities served in past three (3) years
- **300** - total number of Firm personnel
- **115** - total clients served who obtain the GFOA / ASBO Certificates
- **44** - total clients with publicly issued debts in excess of \$50 million
- **53** - total number of Firm partners
- **11** - total number of full-time governmental partners & directors
- **11** - total number of full-time governmental managers
- **100** - total number of professionals with current governmental experience

Serving Governments For Over 100 Years



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

As noted previously, **Mauldin & Jenkins employs 22 partners, directors and managers who dedicate 100% of their time serving government clients.** We also have numerous additional professionals with current experience in providing services to governmental entities – many of whom spend their time exclusively on government clients. Mauldin & Jenkins' dedicated professionals can bring a comprehensive understanding of the issues that face government entities as well as "bench strength" at all levels, allowing us to respond swiftly and effectively to your evolving needs.

The goal of our government practice is to help governments improve their financial processes and strategies so that they can in turn achieve their goal of improving the lives of their citizens. This shared commitment to the goals of our clients has resulted in a significant government clientele. As noted in our transmittal letter, we currently **serve approximately 450 governments in the Southeast. We know of no other firm that can match our experience.**

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

The Atlanta office will act as the lead in providing services to the City, with additional staff roles coming from our other offices as needed. The Atlanta office acts as the Firm's lead office on all governmental engagements across the Southeast. We have a working relationship between offices that we utilize quite often in serving the governmental sector, and it works quite well for all of our clients.

The individuals mentioned in this proposal, Mr. James Bence and Mr. Adam Fraley, are known across the Southeast for their involvement with governmental entities. They have significant experience in governmental audit and accounting, and will play significant roles in providing ongoing services to the City.

Scope of Work to be Performed

The following pages attempt to demonstrate to you our understanding of the nature of the audit services and our general plan for meeting your needs.

Scope of Our Work and Required Audit Reports

The overall objective in serving the City is to determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the major governmental funds in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



The audit will be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with: *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the Federal Single Audit Act, the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) standards; and, the Official Code of Georgia Annotated.

Our audit will consider the City's internal controls over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

We will perform tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with these provisions is not an objective of the

audits. However, the results of the tests disclosing instances of noncompliance and other matters will be reported as required under *Government Auditing Standards*.

During our audit, we will verify and test expenditures of the City of Holly Springs' Special Purpose Local Option Sales Tax proceeds. In accordance with the Official Code of Georgia Annotated, Section 48-8-121, a schedule will be included in each annual audit which shows for each project in the resolution or ordinance calling for imposition of the Special Purpose Local Option Sales Tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. We will verify and test expenditures sufficient to provide assurance that the schedule is fairly presented in relation to the financial statements. Our report on the financial statements will include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

Following the completion of the audit of the fiscal year's financial statements, we shall prepare the required audit reports (if applicable) including those required by *Government Auditing Standards* and the Single Audit and the Official Code of Georgia Annotated:

- 1) A report on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles. This report shall include Required Supplemental Schedules (RSI) as required by GASB 34.
- 2) A report on Internal Control over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- 3) A Schedule of Findings and Responses.
- 4) A report on the fair presentation of the Schedule of Special Purpose Local Option Sales Tax in accordance with Generally Accepted Auditing Principles and in compliance with the O.C.G.A., 48-8-121.
- 5) A report of any management recommendations for improving the City's accounting procedures, internal controls, and related areas.

Irregularities and Illegal Acts

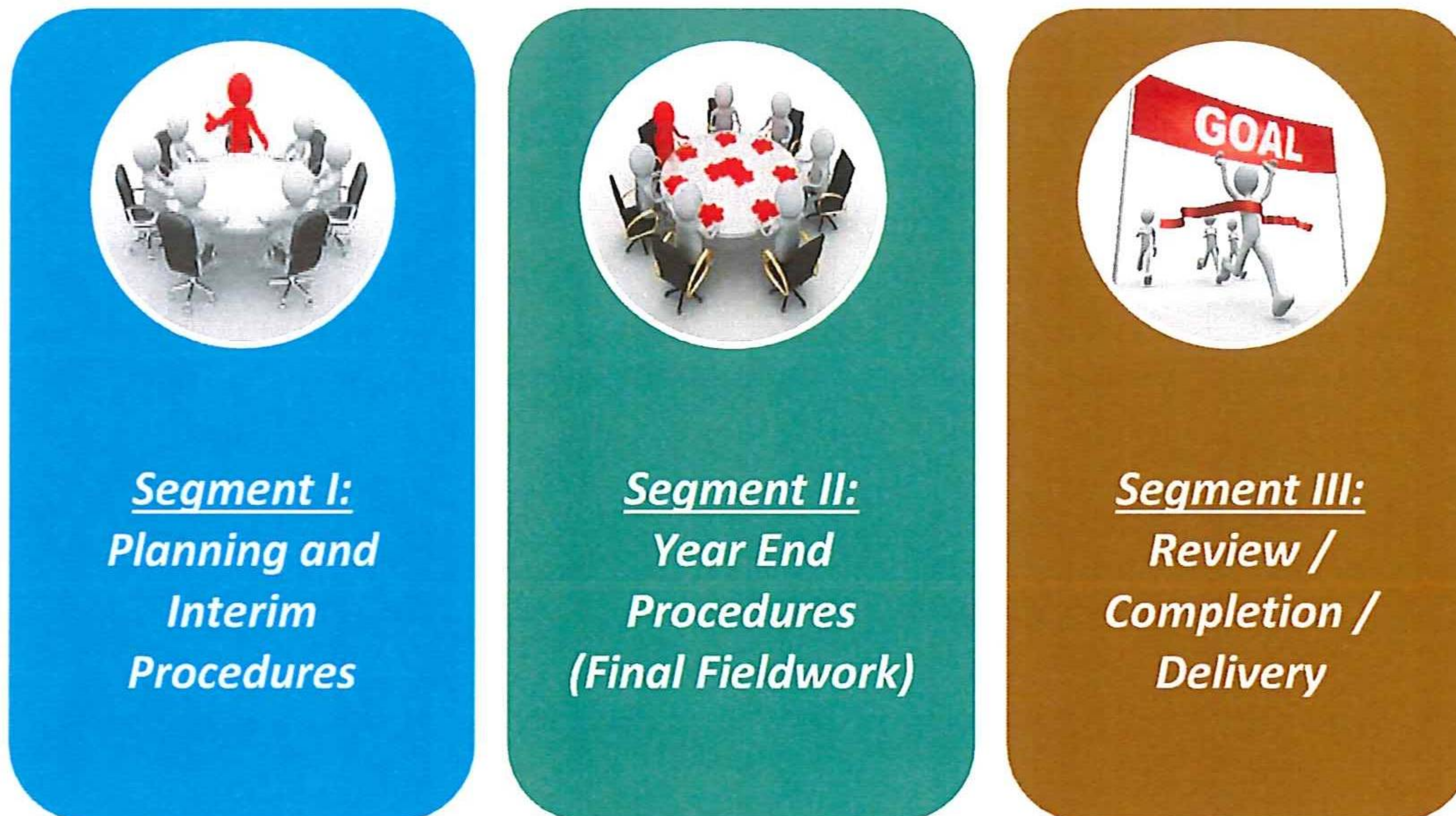
We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware, to the following parties:

- The City Council;
- The City Attorney; and
- The City Manager.

Additionally, it is our understanding that the Downtown Development Authority is presented as a discretely presented component unit of the City and is included in the request for proposal prepared by the City.

Proposed Segmentation of Audit Engagement and Level of Staff Assigned

Our professionals, who are knowledgeable with respect to audit requirements for governmental entities, will be assigned based on their expertise with respect to each segment. Our audit procedures, related documentation and quality review will be segregated by each segment as follows based on our review of the City's prior financial statements, budgets, request for proposal, and other information available:



<<< Continuous Discussions with Client Management >>>

The below timeframes are estimates based on our understandings with the City as to its desires. We at Mauldin & Jenkins would be flexible in the timing of certain events as requested by the City. As noted in the table below, we want to work with City personnel in an effective manner. We intend to do a great deal of planning and tailoring of our approach from our initial visits. We do not want our clients to feel that they have to reinvent the wheel every time we ask for something. However, to make this process cost the City as little as possible (both in dollars and their individual time), it is important to start only when ready and avoid auditing a moving target.

The following table attempts to depict the timing and key elements of the planned audit process:

Timing of Audit Process & Procedures						
Segments	Fiscal Year 2018 Audit Calendar					
	Jan	Feb	March	Apr	May	June
Segment I - Planning and Interim Procedures						
Ongoing consultation on major issues & developments throughout the year, and greater discussions as year end approaches (such as new GASB standards).						
Meet management to discuss audit risks and scopes.						
Engagement team planning meetings and performance of interim audit procedures.						
Gain understanding of significant processes & key controls.						
Perform testing of key controls with goal of reducing substantive audit testing.						
Determine nature, timing and extent of substantive tests to be performed.						
Finalize audit plan based on results to-date.						
Segment II - Final Audit Fieldwork Procedures						
Perform substantive tests (detail testing of respective general ledger / trial balance accounts, and final analytical procedures & key ratios & relationship of financial data).						
Conduct a final evaluation of risk assessments.						
Conduct of progress meetings with management as needed and as often as desired.						
Preparation and delivery of draft comprehensive annual financial report (CAFR), reports, findings, management letter comments, and any other deliverables.						
Meeting with management to discuss draft deliverables and final completion and presentation time-frames.						
Segment III - Review, Completion & Delivery Procedures						
Upon management's review, delivery of CAFR, internal control reports, and management letter to management.						
Presentation of audit deliverables to the governing board.						



Segment I - Planning and Interim Procedures:

- Meet with the prior auditor to review prior year workpapers and obtain appropriate prior year information;
- Obtain a signed engagement letter for the financial and compliance audit;
- Meet with City management to discuss the scope of the audit, timing of our work, and preparation of client schedules, and to address any concerns;
- Review previously issued and interim financial reports, comment letters, monitoring reports, and other supporting workpapers;
- Familiarize ourselves with the organizational structure of the City;
- Read minutes of City meetings;
- Review the City's current year budget, as adopted and revised;
- Review debt agreements, and other various documentation;
- Gain an understanding of the City's accounting policies and procedures, including the financial and other management information systems utilized by the City;
- Obtain an in-depth knowledge of the EDP equipment, software and systems in use;
- Perform analytical reviews to determine critical areas and assess risks;
- Perform a preliminary evaluation of the internal control structure at the account and assertion level;
- Design and perform applicable tests of controls related to the financial statements and internal accounts;
- Make fraud inquiries and assessing the risks of material misstatement;
- Obtain a list of cash, investment, receivables, debt, and selected revenue accounts for confirmation purposes, as applicable;
- Determine audit strategies for balance sheet and operating statement accounts based on audit risk;
- Obtain a preliminary schedule of expenditures of Federal awards to initiate planning and internal control testing for the Single Audit;
- Prepare year-end audit programs;
- Meet with appropriate City personnel to discuss the results of our preliminary audit work.

Segment II - Final Audit Fieldwork Procedures:

- Conduct an analytical review of account balances based on closing balances for which we will utilize analytical procedures (such as reasonableness tests, trend analysis, and predictive tests) to reduce substantive testing;
- Test the valuation, restrictions and cut-offs of cash and investment balances, as applicable;
- Test receivable cut-offs and balances, including an analysis of subsequent receipts;
- Test cut-off and valuation of inventory;
- Review and testing supporting documentation for the allowance for doubtful accounts, prepaid items and other assets;
- Vouch capital asset additions and deletions, analyzing charges for appropriate accounting and testing depreciation;
- Test accounts payable cut-offs and balances, including an analysis of subsequent disbursements;



- Test accrued payroll, compensated absences, claims payable, OPEB payable, and other accrued liability cut-offs and balances;
- Test debt balances and debt covenant compliance;
- Test compliance with applicable laws and regulations;
- Test the classification of net assets (unrestricted, restricted and net investment in capital assets);
- Perform analytical procedures and substantive testing of revenues and expenditures/expenses;
- Obtain and auditing the final schedule of expenditures of Federal awards;
- Complete compliance tests for the major programs selected for testing as required by the Federal Single Audit Act, as applicable;
- End of fieldwork exit conference.



Segment III - Review, Completion & Delivery Procedures:

- Review workpapers to ensure quality and thoroughness of audit procedures;
- Summarize the results of audit procedures;
- Obtain attorney letters;
- Evaluate commitments, contingencies and subsequent events;
- Propose audit adjustments;
- Summarize and evaluating passed audit adjustments;
- Evaluate compliance exceptions;
- Review draft financial statements and related note disclosures;
- Perform financial condition assessment procedures;
- Prepare drafts of audit reports and management letter;
- Deliver drafts of audit reports and letters to appropriate client officials;
- Finalize all reports and management letter;
- Obtain signed representation letter and the City's approval of the final financial statements;
- Draft the Data Collection Form and obtaining the City's approval, if applicable;
- Prepare and provide the City a PDF document of the audited financial statements;
- Hold final exit conferences and presentations with appropriate City officials.

Mauldin & Jenkins believes that we are uniquely qualified to perform the audit of the City. In a time in which very significant changes continue to be implemented in the City's financial reporting model, it is imperative for the City's auditors to understand the City's financial reporting environment and processes. The team proposed to serve you is made up of individuals who have significant experience in auditing local governments of various sizes in the Southeast.

Our audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America and will conform to the standards as set forth in the following:

- "Generally Accepted Auditing Standards" developed by the American Institute of Certified Public Accountants (AICPA)
- "Government Auditing Standards" issued by the Comptroller General of the United States
- "Audits of State and Local Government Units" prepared by the State and Local Government Committee and published by the AICPA

Our audit will include such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances, which include, but are not limited to, those procedures necessary to test compliance and to disclose non-compliance with specified laws, regulations, and contracts.

We will use Firm manuals specifically designed for governments to develop audit programs tailored to the City which incorporate the requirements set forth above. We anticipate that these procedures will enable us to express our professional opinion that the financial statements of the City present fairly, in all material respects, the financial position and results of operations of the various opinion units in conformity with accounting principles generally accepted in the United States of America. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities exist which might prohibit us from expressing an unqualified opinion or if any other circumstances are encountered that require extended services, we will promptly advise the City. No extended services will be performed unless they are authorized in contractual agreement or in an amendment to the agreement.

Upon notification of obtaining the audit contract with the City, we would determine with City management a more detailed timetable for the audit process, and a detailed audit plan leading up to a list of all schedules to be prepared by the City. Adequate supervision and lead time will be provided by the auditor with respect to assistance needed by the City staff.

High Percentage of Partner & Manager Involvement

Partner and manager involvement varies with different firms. At Mauldin & Jenkins, we believe it is important for our partners and managers to be highly involved in the audit process, including fieldwork. We bring our experience to the field. This is a value-added concept most firms do not employ. That being said, we believe it is important to note that our proposal includes the following:

- Substantial Partner Hours as Compared to Total Hours.
- Substantial Manager Hours as Compared to Total Hours.
- Approximately 65% of all anticipated hours of service are partner and manager hours which means we bring our experience to the field and not just the front end and back end of the audits.

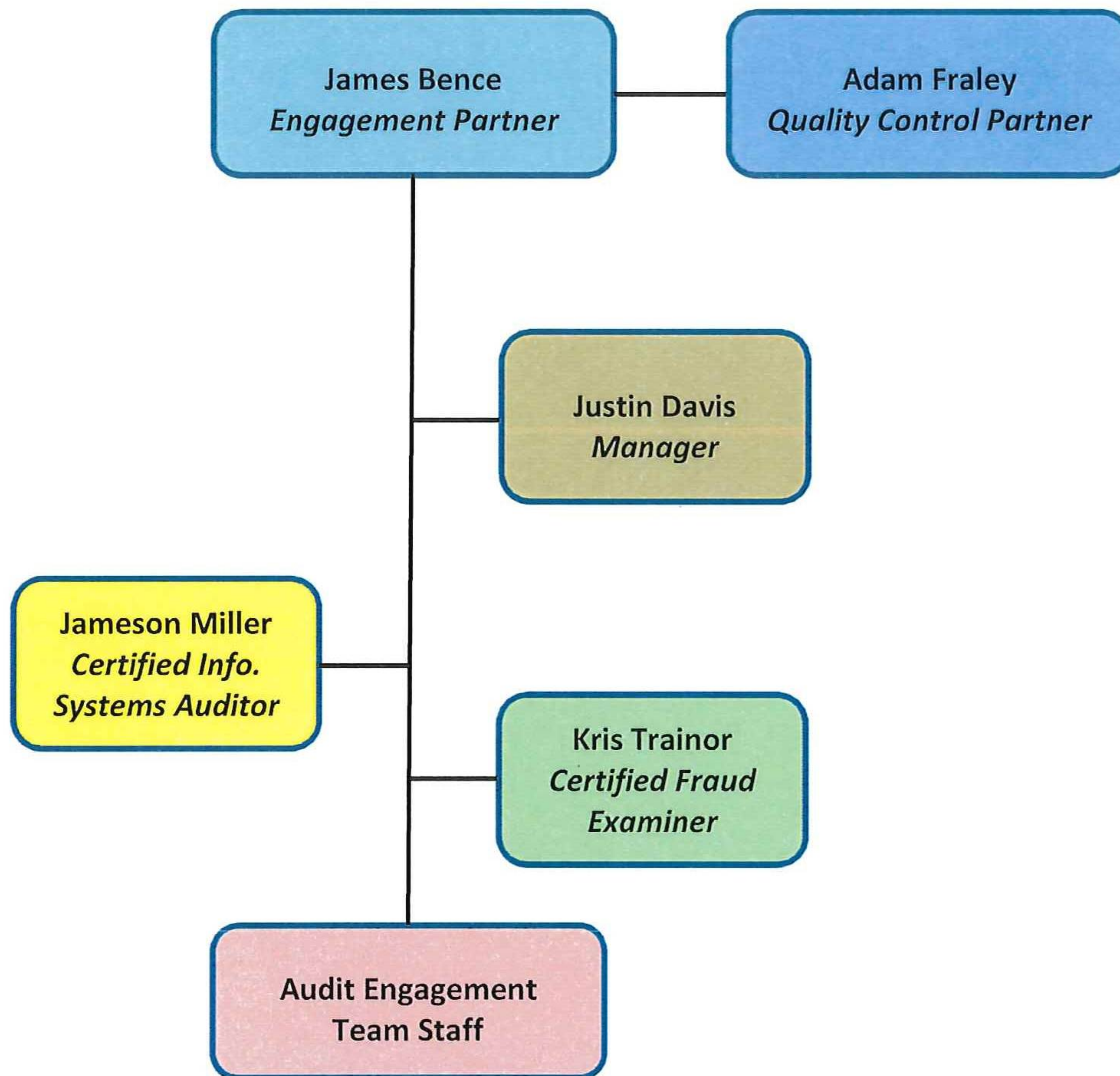
Sub-contractors and Consultants

We do not anticipate the need to outsource or subcontract any portion of the City's audit. As mentioned previously we bring the bench-strength of large regional firms and yet the service and attention of a local firm.

Partner, Supervisory and Staff Qualifications and Experience

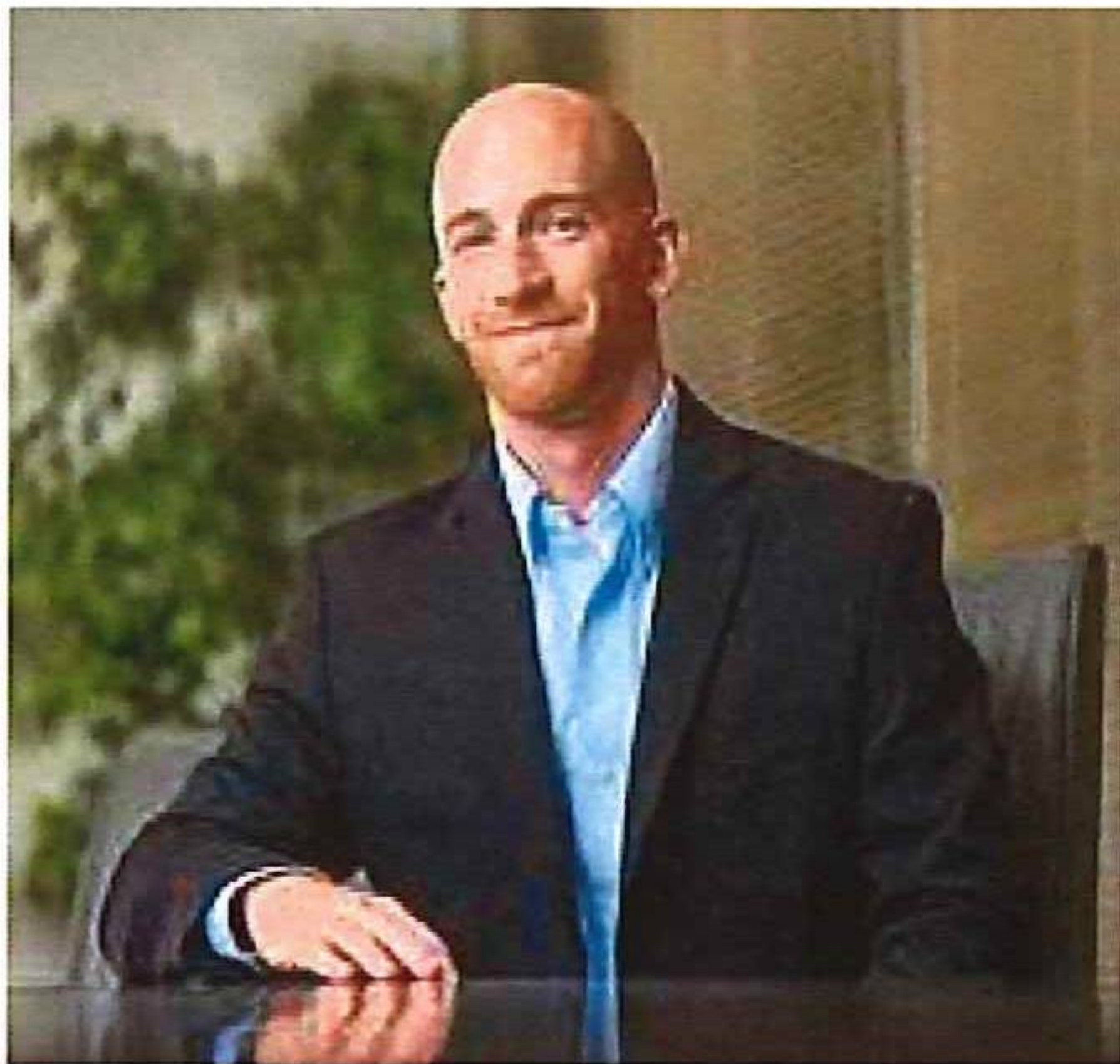
Proposed Staffing and Qualifications

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



The above team dedicated to audit the City will include (at a minimum): two (2) partners, one (1) full-time senior, and at least one (1) staff professional. The senior and the staff professional will be substantially on-site full time throughout the conduct of their role in the audit. Other governmental audit professionals will be available to assist throughout the fieldwork and the preparation of the financial reports. The audit partner in-charge of fieldwork will correspond with City management on financial reporting, audit, and related issues on an ongoing basis, and this individual will also be dedicated to serve the City throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

We realize that, regardless of our Firm's qualifications, the quality of service the City receives will correlate directly to the skill level, dedication, and resourcefulness of your audit engagement team. The individuals listed below have been selected to serve the City based on their years of hands-on experience working with government entities, and for their commitment to exceeding client expectations. Your team members are dedicated and resourceful, and among the most talented in their field. We encourage you to contact us whenever you have questions and to view us not just as auditors, but as true advisors. Please see the following pages for information on several key individuals who are available to serve the City during the audit process.



James Bence, CPA
Lead Partner and Ultimate Partner Responsible

James is a partner with Mauldin & Jenkins. His experience with the firm covers a variety of state and local governmental organizations. He spends 100% of his time serving state and local governments. James has served the City for the past three years and has first-hand knowledge of the City's processes.

As the Lead Partner for the City's engagement, James would be on-site and available to City personnel for 100% of the time that fieldwork is occurring. As the audit progresses, James would be responsible for the review of the audit file and work completed and as this would be conducted on-site, any issues would be resolved with the City prior to our conclusion of fieldwork. We find that this process eliminates many of the inefficiencies that cause delays between the conclusion of fieldwork and final issuance of our audit reports and a government's financial statements.

Years of Professional Experience and Years with Firm: A has fifteen (15) years of experience in public accounting, all with Mauldin & Jenkins, serving a wide range of clients in the public services industry.

List of Audits Performed for Governments in the Last Three Years

Cities:

- City of Alpharetta
- City of Baldwin
- City of Ball Ground
- City of Brookhaven
- City of Decatur
- City of Douglasville
- City of Doraville
- City of Johns Creek
- City of Kennesaw
- City of Lawrenceville
- City of Lilburn

Counties:

- Cherokee County
- Douglas County
- Gates County, NC
- Floyd County
- Forsyth County
- Gates County, NC
- Halifax County, NC
- Jackson County
- Lumpkin County
- Madison County, NC
- Orange County, NC

- City of Milton
- City of Monroe
- City of New Bern, NC
- City of Peachtree Corners
- City of Powder Springs
- City of Roswell
- City of Sandy Springs
- City of Social Circle
- City of South Fulton
- City of Stonecrest
- City of Villa Rica
- Town of Garner, NC
- Town of Selma, NC

School Systems:

- Atlanta Heights Charter Academy
- Cartersville Board of Education
- Cherokee County Charter Academy
- City of Buford Board of Education
- City of Marietta Board of Education
- Cobb County Board of Education
- Coweta Charter Academy
- Forsyth County Board of Education
- Gordon County School District
- Pataula Charter Academy
- Troup County Board of Education
- Walton County Board of Education

- Paulding County
- Walton County
- Washington County, NC

Other Governmental Entities:

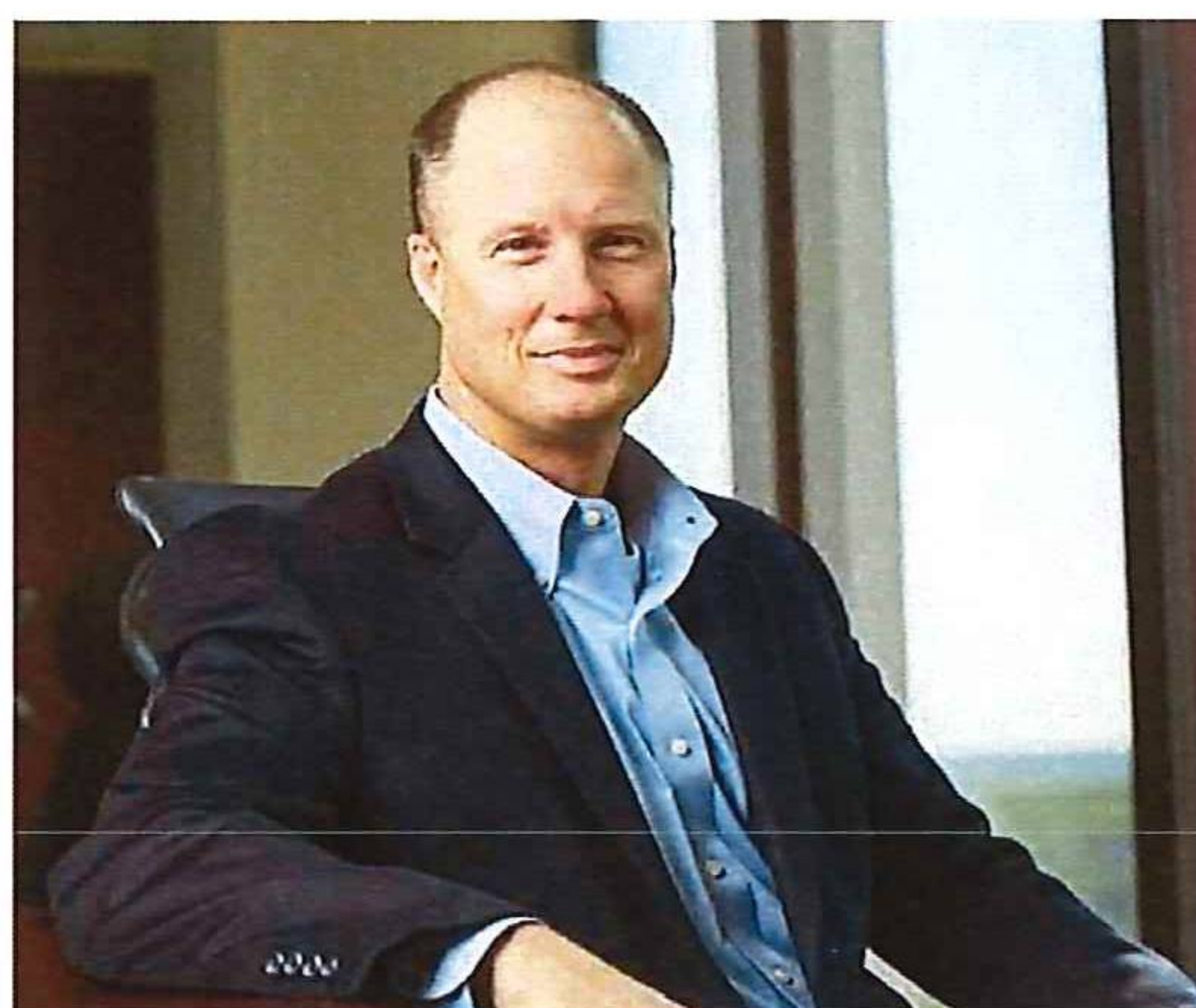
- Chatsworth Water Works Commission
- Chattahoochee River 911 Authority
- Cherokee County Airport Authority
- Cherokee County Water & Sewerage Authority
- Cobb County-Marietta Water Authority
- Development Authority of Walton County
- Evermore Community Impr. District
- Forsyth County Public Library
- Halifax Tourism Development Authority
- Halifax-Northampton Regional Airport Auth
- Historic Roswell Convention & Visitors Bureau
- Lawrenceville Tourism & Trade Association
- Town Center Community Improvement District
- Walton County Water & Sewer Authority

Degree/Certifications and Audit Training: James graduated from Mercer University with a double B.B.A. in Accounting and Finance and he is a Certified Public Accountant. In addition, James has obtained a significant amount of continuing professional education over the last three years, serving as both an instructor and participant in several seminars and courses including:

- 2018 CAFR Preparation, Macon, Georgia – Instructor
- 2018 Grant Reporting and Financial Close-Out, Tuscaloosa, Alabama – Instructor
- 2018 Carl Vinson Institute – Internal Controls, Webcast
- 2018 Georgia Government Finance Officers Association Annual Conference, Augusta, Georgia

- 2018 Common Financial Statement Errors, North Carolina Association of CPAs, New Bern, North Carolina - Instructor
- 2017 Tennessee Government Finance Officers Association (GFOA) Fall Conference – Murfreesboro, Tennessee
- 2017 North Carolina GFOA Summer Conference – Wrightsville Beach, North Carolina
- 2017 Georgia Government Finance Officers Association Conference – Savannah, Georgia
- 2017 CAFR Preparation, Atlanta, Georgia – Instructor
- 2017 Mauldin & Jenkins Annual Conference, Athens, Georgia - Instructor and Participant
- 2017 North Carolina GFOA Spring Conference - Raleigh, North Carolina
- 2016 CAFR Preparation, Covington, Georgia - Instructor
- 2016 North Carolina Government Finance Officers Association Fall Conference – Winston-Salem, North Carolina
- 2016 CAFR Preparation Class, Atlanta, Georgia – Instructor
- 2016 Mauldin & Jenkins Annual Conference - Instructor and Participant

Professional and Civic Activities: James is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, the Government Finance Officers Association, the Georgia Government Finance Officers Association, and the North Carolina Government Finance Officers Association.



Adam Fraley, CPA
Quality Control Partner

Adam Fraley is a member (i.e., partner) and a certified public accountant with Mauldin & Jenkins, LLC specializing in serving local and state governmental entities. He is registered and licensed to practice in the State of Georgia. Adam is a partner who works exclusively in the governmental sector of the Firm's audit practice.

As the Quality Control Partner / Partner for Special Matters, it is not expected that Adam would be on-site during the conduct of fieldwork for the City's audit. However, when circumstances arise that require the consultation or input from a Quality Control Reviewer, we make a priority for that partner to meet with members of both the engagement team and client personnel at the client's offices. Therefore, we have strategically selected Adam to fill this role for the City's audit as he would have availability during the timing of the City's audit to be on-site if needed.

Years of Professional Experience and Years with Firm: Adam has eighteen years of experience with the Firm. He has served as Chairman on the Firm's Partner Advisory Board and currently serves as Chairman on the Firm's Leadership and Career Development Committee.

Adam serves both large and small governmental units, and is involved in serving over fifty (50) such governmental entities. Adam obtained his CPA certificate in 1999.

Below is a list of the engagements for which Adam has served over the past two years. Over his career Adam has served numerous clients at both Mauldin & Jenkins and KPMG, in various roles, ranging from staff, senior, manager, directors, and now partner.

List of Audits Performed for Governments in the Last Two Years:

Counties:

- Cherokee County
- Dekalb County
- Forsyth County
- Gwinnett County
- Lumpkin County
- Paulding County
- Union County
- Walton County

Boards of Education:

- Buford Board of Education
- Carrollton Board of Education
- Cartersville Board of Education
- Cherokee County Board of Education
- Cobb County Board of Education
- Decatur Board of Education
- Douglas County Board of Education
- Forsyth County Board of Education
- Gainesville Board of Education
- Gordon County Board of Education
- Gwinnett County Board of Education

Other Governmental Units:

- Austell Natural Gas System
- Chatsworth Water Works Commission
- Chattahoochee River 911 Authority
- Cobb County-Marietta Water Authority
- Forsyth County Public Library
- Friends of Bulloch, Inc.
- Historic Roswell Convention & Visitors Bureau
- Lumpkin County Water & Sewer Authority
- North Fulton Regional Radio Authority
- Walton County Water & Sewer Authority
- State of Georgia Charter Schools Commission

Cities:

- City of Alpharetta
- City of Austell
- City of Baldwin
- City of Ball Ground
- City of Bristol, TN
- City of Brookhaven
- City of Canton
- City of Chattahoochee Hills
- City of Clarkston
- City of Decatur
- City of Doraville
- City of Duluth
- City of Dunwoody
- City of Grantville
- City of Johns Creek
- City of Kennesaw
- City of Lilburn
- City of Milton
- City of Monroe
- City of Peachtree Corners
- City of Powder Springs
- City of Rockmart
- City of Roswell
- City of Sandy Springs
- City of Social Circle
- City of Toccoa
- Town of Selma, NC

State Entities:

- Georgia Building Authority
- Georgia Ports Authority

Degree/Certifications and Audit Training: Adam graduated from Georgia College & State University with a Bachelor of Business Administration in Accounting. He has been a featured speaker at various GGFOA Conferences and other GGFOA workshops, free quarterly CPE provided to our clients, and several internal conferences.

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

- 2018 M&J Internal Government Conference - Instructor
- 2018 M&J Government Client Training – 3rd Quarter – Instructor
- 2018 AICPA Government Accounting and Auditing Conference, Washington DC
- 2018 Dunwoody Conference - Instructor
- 2018 M&J Government Client Training – 1st Quarter - Instructor
- 2017 M&J Government Client Training – 3rd Quarter - Instructor
- 2017 Georgia Government Finance Officers Association Annual Conference – Instructor
- 2017 Florida Society of CPAs – Governmental Conference - Instructor
- 2017 AICPA Government Accounting and Auditing Conference, Washington DC – Instructor
- 2017 M&J Internal Government Conference - Instructor
- 2017 Georgia Government Finance Officers Association Webcast – Financial Reporting Model Re-examination - Instructor
- 2017 City of Dunwoody Accounting Conference – Instructor
- 2016 Dunwoody Accounting Conference – Dunwoody, Georgia – Instructor
- 2016 Georgia Government Finance Officers Association Annual Conference – Stone Mountain
- 2016 AICPA Webcast – Internal Control COSO and More – Instructor

Professional and Civic Activities: Adam is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, the Government Finance Officers Association, the Georgia Government Finance Officers Association, and the Association of Government Accountants.



Justin Davis, CPA
Engagement Manager

Justin Davis is a manager with Mauldin & Jenkins and is a certified public accountant. His experience covers a variety of clients in federal, state, and local governments in Georgia and the Carolinas. He spends 100% of his time serving state and local governments.

As the Manager for City's engagement, **Justin would be on-site and available to the City's personnel for 100% of the time that fieldwork is occurring.** As the audit progresses, Justin would be responsible for the oversight of engagement staff and would serve as the primary intermediary to for any issues which arise during fieldwork.

Years of Professional Experience and Years with Firm - Justin has more than five years of experience in public accounting with Mauldin & Jenkins serving a wide variety of clients in the public services industry. Justin serves both large and small governmental units, and is involved in serving over thirty (30) such governmental entities.

Degree/Certifications and Audit Training: Justin graduated in 2012 from Georgia Southern University in Statesboro, Georgia with a Bachelor of Business Administration in Accounting and subsequently, obtained his Masters of Accountancy from Georgia Southern University in 2013. Justin has been licensed as a CPA in the State of Georgia since 2015.

Justin has obtained the following continuing professional education over the last three (3) years:

- 2018 M&J Annual Government Conference, Athens, Georgia - Participant
- 2018 Thomson Reuters Audit Watch - Participant
- 2017 M&J Annual Government Conference, Athens, Georgia - Participant
- 2017 Thomson Reuters Audit Watch - Participant
- 2016 M&J Annual Government Conference, Eatonton, Georgia – Participant
- 2016 Thomson Reuters Audit Watch - Participant

List of Audits Performed for Governments in the Last Two Years

Cities:

- City of Cedartown, Georgia
- City of College Park, Georgia
- City of Decatur, Georgia
- City of Decatur, Georgia
- City of Johns Creek, Georgia
- City of Milton, Georgia

Boards of Education:

- Bartow County Board of Education
- Carroll County Board of Education
- Carrollton Board of Education
- Cherokee Charter Academy
- Coweta Charter Academy at Senoia
- City Schools of Decatur

- City of Monroe, Georgia
- City of Peachtree Corners, Georgia
- City of Riverdale, Georgia
- City of Rockmart, Georgia
- Town of Selma, North Carolina

Counties:

- DeKalb County, Georgia
- Floyd County, Georgia
- Forsyth County, Georgia
- Gates County, North Carolina
- Lumpkin County, Georgia
- Paulding County, Georgia
- Walton County, Georgia
- Washington County, North Carolina

- City of Buford Board of Education
- Cobb County Board of Education
- Forsyth County Board of Education
- Fulton County Board of Education
- Georgia Charter Educational Foundation
- Georgia School for Innovation and the Classics

Other Governmental Units:

- Chatsworth Water Works Commission
- DeKalb County Public Library
- Forsyth County Public Library
- Lumpkin County Water & Sewer Authority
- North Fulton Regional Radio Authority
- Walton County Water & Sewerage Authority

Professional and Civic Activities: Justin is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and Georgia Society of Certified Public Accountants.

Other Staff Resources (Technology Services and Fraud Examinations)



Jameson A. Miller, CPA, CISA
Director, Information Technology,
Cybersecurity Consulting Services

Jameson Miller is a director and has been with Mauldin and Jenkins since graduation from the University of Tennessee at Chattanooga. He currently leads the firm's Information Systems and Cybersecurity practice. For over 12 years, Jameson has provided audit services to public and private entities throughout the Southeast. Jameson's experience includes audits of general controls, application controls, technical audits and security assessments for information systems.

Jameson has extensive experience with Sarbanes Oxley, SSAE18 System and Organization Controls (SOC) Audits, National Automated Clearinghouse Association (NACHA) Compliance with Appendix Eight of the NACHA Operating Rules and Guidelines, and Gramm-Leach-Bliley Act (GLBA) compliance program implementation, testing and reporting. His technical expertise includes performing vulnerability assessments and penetration testing of information systems using both technical and social engineering techniques. Further, Jameson has:

- Maintained current and relevant information technology and financial accounting continuing professional education credits (CPE);
- Obtained the American Institute of Certified Public Accountants' (AICPA) "Cybersecurity Advisory Services" Certificate;
- Presented a 2018 CPE webinar for the Georgia Governmental Financial Officers Association (GGFOA) members entitled, "Cybersecurity Trends and the AICPA's Cybersecurity Risk Management Program;" and
- Presented a 2018 CPE breakout session entitled, "What is Blockchain and Why Should I Care?" for the GGFOA's Annual Conference.

Jameson is a member of the AICPA, the Tennessee Society of Certified Public Accountants (TSCPA), and ISACA (formerly the Information Systems Audit and Control Association). In addition, Jameson is an avid outdoor enthusiast and enjoys volunteering as a member of the board of directors and treasurer the of the Cumberland Trail Conference, a 501(c)3 non-profit organization. Jameson is a licensed Certified Public Accountant with the State of Tennessee and a Certified Information Systems Auditor through ISACA.

Jameson plans to obtain the AICPA's "Blockchain Fundamentals for Accounting and Finance Professionals" Certificate during December 2018. In January 2019, he is registered to take, "Penetration Testing with Kali," a 40 hour continuing education self-study course offered through Offensive Security, the creators of the Kali Linux Penetration Testing operating system. Afterwards, Jameson will sit for the Offensive Security Certified Professional (OSCP) 24 hour certification examination.



Considering the fact that Jameson only provides non-traditional consulting-type services to governmental entities, and he does not (and will not) provide audit and accounting services under the guidance of the Yellow Book educational standards, no such continuing education is required or provided under this proposal to provide services.

Kris Trainor, CPA and CFE
Certified Fraud Examiner

Kris Trainor is a partner with Mauldin & Jenkins. Kris received his BBA in Accounting from Georgia Southern University. Since joining Mauldin & Jenkins in 1995,

Kris has worked primarily on audit and consulting engagements. His experience ranges from fraud examinations, agreed-upon procedures, internal audits, financial statement audits, lender compliance, mortgage company audits, governmental audits and loan servicing compliance audits.



Kris also has audit and inventory experience in the manufacturing industry. He is available to perform forensic audits should it be determined that such audits are needed in lieu of other traditional audits (financial, compliance, performance, agreed-upon procedures, etc.)

Kris is a member of the American Institute of Certified Public Accountants, the Georgia Society of Certified Public Accountants, the Association of Certified Fraud Examiners, Beta Gamma Sigma, and Beta Alpha Psi.

Considering the fact that Kris only provides non-traditional consulting-type services to governmental entities, and he does not (and will not) provide audit and accounting services under the guidance of the Yellow Book educational standards, no such continuing education is required or provided under this proposal to provide services.

Other Staff Auditors & Accountants

Prior experience with government audits is as important for the staff as it is for management. Experience in governmental accounting and auditing minimizes the amount of time the staff will require to fully understand the complexities of the operations and financial accounting and reporting systems. Prior experience also enables the staff to recognize problems early in the engagement. This, in turn, allows the desired early consideration and resolution of problems. We would like to stress the fact that the majority of our governmental staff work on state and local governments 100% of their time. This reduces the "learning curve" on most all audits by reducing the amount of "on-site training" that occurs at most national accounting firms. This is very evident in our proposed hours, which are typically much less than that of other firms. Our staff knows what is required and how to get the work done efficiently and effectively. Our staff members understand the laws and regulations specifically pertinent to Georgia entities. We also normally have more high-level hours of service by our partners and managers (in the conduct of fieldwork) than the national firms, thereby reducing redundancy and other audit engagement inequities. We bring our experience to the field where timely decisions can be made.

Partner & Staff Continuity

We are committed to providing continuity of our engagement team members. We recognize that this is also an important factor for the City, as it limits the amount of retraining that needs to be performed each year. **Our staff retention rates of approximately 90%** are considered to be among the best in the profession (and much better than national firms). We are able to not only provide consistency with the partners and managers on our engagement teams, but seniors and staff as well.

Retention >= 90% < 5 Years Experience

It is also our goal to minimize disruptions to the City by staffing the engagement so as to provide continuity, both during and between audits. It is the Firm's policy not to rotate key audit staff, consultants or specialists off a multi-year contracted audit engagement. Consequently, it is not anticipated that any key audit personnel will be rotated away from the City's annual audit. In any business, however, turnover is inevitable. When this happens, we will provide resumes of suggested replacements and any changes in key personnel would always be discussed timely with City officials to their satisfaction.

References

In addressing the City's interest in the qualifications and client references of Mauldin & Jenkins and the request for audits performed for local governmental units in the last five (5) years, we have elected to report on four (4) cities which most closely resemble Holly Springs in size and services (total staff hours). Should management of the City need some additional references, we would be happy to provide such data. The four (4) cities we audit which most closely resemble the City are noted as follows:

1) City of Milton

General Information	City with population of approx. 35,500. Assets and revenues of approx. \$78.5 million and \$27.8 million. CAFR prepared and GFOA Certificate awarded.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Grant Guidance (UGG).
Dates	June 30, 2006 through present
Client Executives	Adam Fraley and Joel Black
Total Hours	185 hours
Contact Information	Stacy Inglis, Finance Director - 678-242-2508
Email	stacey.inglis@cityofmiltonga.us

2) City of Villa Rica

General Information	City with population of approx. 15,500 Assets and revenues of approx. \$92.3 million and \$19.5 million. Financial Report prepared.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Government Auditing Standards.
Dates	December 31, 2016 through present
Client Executives	James Bence and Joel Black
Total Hours	225 hours
Contact Information	Sarah Hefty - Chief Financial Officer - 678-840-1220
Email	shefty@villarica.org

3) City of Kennesaw

General Information	City with population of approx. 33,700. Assets and revenues of approx. \$106 million and \$30.9 million. Sanitation, Museum operations, and City Gardens business type operations. CAFR prepared and GFOA Certificate awarded.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Grant Guidance (UGG).
Dates	September 30, 2008 through present
Client Executives	James Bence and Adam Fraley
Total Hours	300 hours
Contact Information	Gina Auld, Finance Director - 770-484-8274
Email	gauld@kennesaw-ga.gov

4) City of Ball Ground

General Information	City with population of approx. 2,000 Assets and revenues of approx. \$14.5 million and \$3.4 million. Financial Report prepared.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Government Auditing Standards.
Dates	June 30, 2005 through present
Client Executives	James Bence and Joel Black
Total Hours	145 hours
Contact Information	Donna Englang, Finance Director - 678-454-5074
Email	dengland@cityofballground.com

Cost Proposal

In addressing the cost proposal section of the audit, we have provided our complete, lump sum proposed fees for the audit of the City's Comprehensive Annual Financial Report for the years ending December 31, 2018 through December 31, 2021, with an additional option to extend for two additional years in a separately sealed envelope.

Quality Control Review

External Peer Review

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



The peer review aspect has evolved from being voluntary to mandatory and Mauldin & Jenkins is in full compliance with the requirements of having a tri-annual review. In the peer reviewer's latest report dated October 30, 2017, our reviewing firm gave a rating of "pass" which is the highest form of assurance they can render on the system of quality control for our accounting and audit practice.

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



Report on the Firm's System of Quality Control

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

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended May 31, 2017. 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 in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organization's SOC 1 and SOC 2 engagements.

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

PBMares, LLP | 725 Jackson Street, Suite 210 | Fredericksburg, VA 22401 | P 540.371.3566 | 1.800.296.3710 | F 540.371.3598

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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

PBMares, LLP

PBMares, LLP
October 30, 2017

No Disciplinary Actions

Mauldin & Jenkins has not had any disciplinary actions taken (nor are any pending) against the Firm during the past three (3) years with any state or Federal regulatory bodies or professional organizations.

Similar Engagements with Other Governmental Entities

Client Transitions

Mauldin & Jenkins has experienced over 450 governmental client transitions in the past seventeen (17) years.



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

We accomplish successful transitions by:

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

immediately and resolve them with management so the engagement is essentially complete when fieldwork ends.

- **Year-long Support.** We encourage your staff to take advantage of our accessible staff throughout the year for questions that may arise. Our people, working with you and your staff, can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems including answers to questions; and share insights and best practices to assist you in planning for your future success.
- **Working Toward a Common Goal.** Considering all of the above thoughts, our ultimate goal and objective is to provide excellent client service with the least amount of disruption to our clients. We tailor our approach to provide for everyone to work smarter so our clients do not have to work harder.

Governments Served in Past Three Years

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

Cities. Cities we have audited or are in the process of serving within the past three (3) years are:

Georgia

- | | |
|-------------------------|-----------------------|
| 1) Albany | 32) Grantville |
| 2) Alpharetta | 33) Griffin |
| 3) Americus | 34) Gum Branch |
| 4) Austell | 35) Hapeville |
| 5) Baldwin | 36) Hinesville |
| 6) Ball Ground | 37) Jefferson |
| 7) Blakely | 38) Jeffersonville |
| 8) Bloomingdale | 39) Johns Creek |
| 9) Braselton | 40) Kennesaw |
| 10) Brookhaven | 41) Kingsland |
| 11) Brunswick | 42) Lawrenceville |
| 12) Cartersville | 43) Leesburg |
| 13) Cedartown | 44) Lilburn |
| 14) Chamblee | 45) Ludowici |
| 15) Chattahoochee Hills | 46) Lyons |
| 16) Clarkston | 47) Milledgeville |
| 17) Cochran | 48) Milton |
| 18) College Park | 49) Monroe |
| 19) Conyers | 50) Morrow |
| 20) Cordele | 51) Peachtree City |
| 21) Covington | 52) Peachtree Corners |
| 22) Decatur | 53) Perry |
| 23) Doraville | 54) Pooler |
| 24) Douglasville | 55) Powder Springs |
| 25) Duluth | 56) Quitman |
| 26) Dunwoody | 57) Port Wentworth |
| 27) Fairburn | 58) Richmond Hill |
| 28) Fayetteville | 59) Riverdale |
| 29) Flovilla | 60) Rockmart |
| 30) Forest Park | 61) Rome |
| 31) Garden City | 62) Roswell |
| | 63) Sandy Springs |

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|-------------------|----------------|
| 64) Savannah | 94) North Port |
| 65) Sharpsburg | 95) Pensacola |
| 66) Social Circle | 96) Pinecrest |
| 67) South Fulton | 97) Plant City |
| 68) St. Marys | 98) Wildwood |

- | |
|-----------------|
| 69) Stockbridge |
| 70) Stonecrest |
| 71) Suwanee |
| 72) Thunderbolt |
| 73) Tifton |

- | |
|------------------|
| 74) Toccoa |
| 75) Tucker |
| 76) Tybee Island |
| 77) Union City |
| 78) Valdosta |
| 79) Vernonburg |
| 80) Villa Rica |

Florida

- | |
|----------------------|
| 81) Arcadia |
| 82) Bradenton |
| 83) Callaway |
| 84) Cooper City |
| 85) Crystal River |
| 86) Ft. Myers Beach |
| 87) Haines City |
| 88) Hallandale Beach |
| 89) Islamorada |
| 90) Lake Placid |
| 91) Long Boat Key |
| 92) Marco Island |
| 93) Naples |

Alabama

- | |
|----------------|
| 99) Tuscaloosa |
|----------------|

North Carolina

- | |
|---------------|
| 100) Garner |
| 101) New Bern |
| 102) Selma |

South Carolina

- | |
|------------------|
| 103) Aiken |
| 104) Beaufort |
| 105) Chapin |
| 106) Charleston |
| 107) Clover |
| 108) Hardeeville |
| 109) Hollywood |
| 110) Goose Creek |
| 111) Loris |
| 112) Orangeburg |
| 113) Summerville |

Tennessee

- | |
|-----------------|
| 114) Bristol |
| 115) Crossville |
| 116) Jamestown |

Counties. Counties we have audited or are in the process of serving within the past three (3) years are:

Georgia

- 1) Athens-Clarke
- 2) Augusta-Richmond
- 3) Columbus-Muscogee
- 4) Macon-Bibb
- 5) Bacon
- 6) Barrow
- 7) Chatham
- 8) Cherokee
- 9) Clayton
- 10) Colquitt
- 11) Crisp
- 12) DeKalb
- 13) Dougherty
- 14) Douglas
- 15) Floyd

- 16) Forsyth
- 17) Glynn
- 18) Gwinnett
- 19) Henry
- 20) Jackson
- 21) Jeff Davis
- 22) Jones
- 23) Lee
- 24) Liberty
- 25) Lincoln
- 26) Long
- 27) Lumpkin
- 28) Macon
- 29) McIntosh
- 30) Mitchell

- 31) Monroe
- 32) Newton
- 33) Paulding
- 34) Peach
- 35) Rockdale
- 36) Spalding
- 37) Stephens
- 38) Taylor
- 39) Toombs
- 40) Union
- 41) Walton
- 42) Whitfield

Tennessee

- 43) Hamilton

South Carolina

- 44) Beaufort
- 45) Colleton
- 46) Darlington
- 47) Edgefield
- 48) Lancaster
- 49) Laurens
- 50) Oconee

North Carolina

- 51) Gates
- 52) Halifax
- 53) Madison
- 54) Orange
- 55) Washington

School Systems. Boards of Education we have served within the past three (3) years are:

Georgia

- 1) Atlanta Independent School System
- 2) Baker County Board of Education
- 3) Bartow County Board of Education
- 4) Bibb County Board of Education
- 5) Bleckley County Board of Education
- 6) Brooks County Board of Education
- 7) Butts County Board of Education
- 8) Camden County Board of Education
- 9) Carroll County Board of Education
- 10) Cherokee County School District
- 11) City of Buford Board of Education
- 12) City of Carrollton Board of Education
- 13) City of Cartersville Board of Education
- 14) City of Decatur Board of Education
- 15) City of Gainesville Board of Education
- 16) City of Jefferson Board of Education
- 17) City of Marietta Board of Education
- 18) City of Rome Board of Education
- 19) Clay County Board of Education
- 20) Clayton County Board of Education
- 21) Cobb County Board of Education
- 22) Coweta County Board of Education
- 23) DeKalb County Board of Education
- 24) Dodge County Board of Education
- 25) Douglas County Board of Education
- 26) Emanuel County Board of Education
- 27) Fayette County Board of Education
- 28) Forsyth County Board of Education
- 29) Fulton County Board of Education
- 30) Glynn County Board of Education
- 31) Gwinnett County Board of Education

- 32) Hancock County Board of Education
- 33) Harris County Board of Education
- 34) Henry County Board of Education
- 35) Marion County Board of Education
- 36) Oconee County Board of Education
- 37) Paulding County Board of Education
- 38) Peach County Board of Education
- 39) Polk County Board of Education
- 40) Putnam County Board of Education
- 41) Rockdale County Board of Education
- 42) Savannah-Chatham Co. Public School System
- 43) Thomas County Board of Education
- 44) Troup County Board of Education
- 45) Twiggs County Board of Education
- 46) Walton County Board of Education
- 47) Ware County Board of Education

Florida

- 48) School Board of Highlands County
- 49) School Board of Manatee County
- 50) School District of Lee County

Tennessee

- 51) City of Bristol Board of Education
- 52) Hamilton County Department of Education

South Carolina

- 53) Lexington School District Four
- 54) Marlboro County School District
- 55) Richland County School District One
- 56) Sumter County School District

State Governmental Entities. States have many entities as part of financial reporting: agencies, departments, university foundations, and other component units that are audited by an independent public accounting firm. Please see the following for a listing of State governmental entities we have audited in the past three (3) years:

- | | |
|---|--|
| 1) Georgia Building Authority | 22) Georgia Southern University Foundation |
| 2) Georgia Department of Community Health | 23) Georgia State University Athletic Association |
| 3) Georgia Education Authority | 24) Georgia State University Foundation |
| 4) Georgia Environmental Finance Authority | 25) Kennesaw State University Athletic Association |
| 5) Georgia Higher Education Assistance Corp. | 26) Kennesaw State University Athletic Department |
| 6) Georgia Higher Education Facilities Auth. | 27) Kennesaw State University Foundation |
| 7) Georgia Lottery Corporation | 28) Kennesaw State University Research Foundation |
| 8) Georgia Ports Authority | 29) Medical College of Georgia Foundation |
| 9) Georgia State Financing & Investment Commission | 30) New College of Florida |
| 10) Georgia Student Finance Authority | 31) Northwest Florida College Foundation |
| 11) Georgia Student Finance Commission | 32) Polytechnic Foundation of Kennesaw State Univ. |
| 12) Georgia Superior Court Clerks' Coop. Authority | 33) REACH Georgia (of the Ga. Student Finance Comm.) |
| 13) Georgia State Road and Tollway Authority | 34) Southern Polytechnic Applied Research Foundation |
| 14) Stone Mountain Memorial Association | 35) State College of Florida Foundation |
| 15) Abraham Baldwin Agricultural College Foundation | 36) State College of Florida Sarasota-Manatee, Inc. |
| 16) College of Coastal Georgia Foundation | 37) University of Chattanooga Foundation |
| 17) Georgia Business Success Center | 38) University of North Georgia Real Estate Foundation |
| 18) Georgia College & State University Foundation | 39) University of North Georgia Foundation |
| 19) Georgia Highlands College Foundation | 40) University System of Georgia Foundation |
| 20) Georgia Military College Foundation | 41) University of West Georgia Athletic Foundation |
| 21) Georgia Southern University Athletic Foundation | 42) University of West Georgia Foundation |

Other Governments. Other governmental entities we have audited within the past three (3) years are:

- 1) Albany - Dougherty Inner City Auth.
- 2) Allendale County Hospital
- 3) Atlanta Development Auth.
- 4) Atlanta Economic Renaissance Corporation
- 5) Atlanta Housing Opportunity
- 6) Augusta Utilities (Water / Sewer Ops)
- 7) Augusta-Richmond County Regional Airport
- 8) Austell Natural Gas System
- 9) Barrow County Water & Sewer Authority
- 10) Bartram Trail Regional Library
- 11) Bayshore Gardens Park & Recreation District
- 12) Birmingham-Jefferson County Transit Auth.
- 13) Bradenton Downtown Development Auth.
- 14) Bristol Joint Sewer System
- 15) Bristol Public Library
- 16) Brunswick - Glynn Joint Water & Sewer Comm.
- 17) Catawba Water River Supply Project
- 18) Central Community Redevelopment Agency
- 19) Central Midlands Council of Govts.
- 20) Central Midlands Regional Transit Auth.
- 21) Central Savannah River Area Regional Comm.
- 22) Charleston Co. Aviation Comm.
- 23) Charleston Water System
- 24) Chatsworth Water Works Commission
- 25) Chattahoochee River 911 Auth.
- 26) Chattanooga Area Reg. Transportation Auth.
- 27) Chattanooga Area Regional Council of Govts.
- 28) Cherokee County Airport Auth.
- 29) City of Albany- Chehaw Park Auth.
- 30) City of Albany- Water, Gas & Light Comm.
- 31) City of East Point Retirement Plan
- 32) City of North Port, Fl. - Firefighters' Pension
- 33) City of Sandy Springs Development Auth.
- 34) Classic Center Auth. of Clarke County
- 35) Clayton Co. Pension Fund
- 36) Clayton County Water & Sewer Authority
- 37) Cobb County - Marietta Water Authority
- 38) Cobb County-Marietta Water Auth. Pension
- 39) Columbia County Board of Health
- 40) Columbia Development Corp.
- 41) Columbia Empowerment Zone
- 42) Columbia Housing Development Corp.
- 43) Convention and Visitors Bureau of Dunwoody
- 44) Crisp Co.- Cordele Industrial Development Auth.
- 45) Crisp Co.- Cordele Industrial Development Council
- 46) Crisp County Power Commission
- 47) Decide Dekalb
- 48) DeKalb County Public Library
- 49) Dev. Auth. of City of Jeffersonville & Twiggs Co.
- 50) Development Auth. of Cherokee County
- 51) Development Auth. of City of Roswell, GA
- 52) Development Auth. of Lumpkin County
- 53) Development Auth. of Peachtree City
- 54) Development Authority of Warner Robins
- 55) Disabilities Board of Charleston County
- 56) Downtown Atlanta Revitalization
- 57) Eatonton-Putnam Water & Sewer Authority
- 58) Eau Development Corporation
- 59) Edgefield County Water & Sewer Authority
- 60) Electric Power Board of Chattanooga
- 61) Ensor Forest Apartments
- 62) Forsyth County Public Library
- 63) Friends of Bulloch
- 64) Georgetown County Water & Sewer District
- 65) Georgia Charter Educational Foundation
- 66) Georgia Ports Auth. DB & OPEB Plan
- 67) Georgia Ports Auth. Defined Contribution Plan
- 68) Glynn County Airport Commission
- 72) Gwinnett Airport Authority
- 73) Gwinnett Civic/Cultural Center Operations
- 74) Gwinnett Convention and Visitors Bureau
- 75) Gwinnett County Airport Auth.
- 76) Gwinnett County Development Auth.
- 77) Gwinnett County Public Facilities Auth.
- 78) Gwinnett County Public Library
- 79) Gwinnett County Recreation Auth.
- 80) Gwinnett County Water and Sewerage Authority
- 81) Hamilton Co. Water & Wastewater Treatment Auth.
- 82) Hamilton County Election Commission
- 83) Heart of Georgia Altamaha Regional Commission
- 84) Henry County Water Authority
- 85) Historic Roswell Convention & Visitors Bureau
- 86) Housing Authority of Clayton County
- 87) Houston County Library System
- 88) Islamorada, Village of Islands, Florida
- 89) Jefferson Co. Economic and Industrial Dev Auth.
- 90) Keep Peachtree City Beautiful Commission
- 91) Kennesaw State University Athletic Department
- 92) Lakeland Area Mass Transit District
- 93) Lowcountry Regional Transit Authority
- 94) Lumpkin County Hospital Auth.
- 95) Lumpkin County Water & Sewerage Authority
- 96) Macon Transit Authority
- 97) Macon Water Authority
- 98) Macon-Bibb County Land Bank Authority
- 99) Manatee County Mosquito Control Dist
- 100) Manatee Technical Institute
- 101) MARTA/ATU Local 732 Employees Retirement
- 102) McIntosh Trail Community Service Board
- 103) McPherson Implementing Local Redev. Auth.
- 104) McPherson Planning Local Redevelopment Auth.
- 105) Middle Georgia Community Service Board
- 106) Milledgeville-Baldwin County Dev. Auth.
- 107) Mount Pleasant Waterworks
- 108) NE Corridor, LLC
- 109) New Bern Electrical System
- 110) Newton County Water & Sewerage Authority
- 111) North Fulton Regional Radio Auth.
- 112) Northeast Georgia Regional Commission
- 113) Northwest Florida State College Foundation
- 114) Ocean Highway and Port Auth. of Nassau County
- 115) Oconee Center Community Service Board
- 116) Orangeburg Co. Department of Disabilities & Special Needs
- 117) Pathways Center Community Service Board
- 118) Paulding County Airport Authority
- 119) Paulding County Industrial Development Authority
- 120) Peace River/Manasota Regional Water Supply Auth.
- 121) Peachtree City Convention & Visitor's Bureau
- 122) Peachtree City Water & Sewerage Authority
- 123) Phoenix Center Community Service Board
- 124) Public Bldg. Auth. of Knox Co. & City of Knoxville
- 125) Riverdale Downtown Development Auth.
- 126) River's Edge Community Service Board
- 127) Saluda Nursing Center
- 128) Sandy Springs Hospitality Board
- 129) Santee Wateree Regional Transit Auth.
- 130) Santee-Lynches Reg. Council of Govts.
- 131) Santee-Lynches Reg. Development Corp.
- 132) Sarasota School of Arts & Sciences
- 133) South Carolina Centers of Economic Excellence
- 134) South Florida Regional Transportation Auth.
- 135) Southeast Tennessee Development District
- 136) SOWEGA Council on Aging
- 137) Tampa Bay Water Authority
- 138) Toccoa-Stephens County Public Library
- 139) Town Center Area Community Imp. District

CAFR Certificates of Achievement & Excellence



Mauldin & Jenkins has served **approximately 450 governments** in the past several years, and **120** governmental units who obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting (and, or the ASBO's Certificate of Excellence in Financial Reporting).



Mauldin & Jenkins' clients have never failed to obtain the Certificate! Mauldin & Jenkins is batting 1000%. Every CAFR submitted has received the award. The following are current clients:

Counties:

- 1) Athens-Clarke Co.
- 2) Augusta-Richmond Co.
- 3) Barrow Co.
- 4) Beaufort Co., SC
- 5) Chatham Co.
- 6) Cherokee Co.
- 7) Clayton Co.
- 8) Colleton Co., SC
- 9) Columbus-Muscogee Co.
- 10) DeKalb Co.
- 11) Douglas Co.
- 12) Edgefield Co., SC
- 13) Floyd Co.
- 14) Forsyth Co.
- 15) Glynn Co.
- 16) Gwinnett Co.
- 17) Halifax Co., NC
- 18) Hamilton Co., TN
- 19) Henry Co.
- 20) Jackson Co.
- 21) Lancaster Co., SC
- 22) Liberty Co.
- 23) Macon-Bibb Co.

- 24) Oconee Co., SC
- 25) Orange Co., NC
- 26) Paulding Co.
- 27) Rockdale Co.
- 28) Spalding Co.
- 29) Walton Co.
- 30) Washington Co., NC
- 31) Whitfield Co.

Cities:

- 32) Aiken, SC
- 33) Albany
- 34) Alpharetta
- 35) Americus
- 36) Austell
- 37) Ball Ground
- 38) Beaufort, SC
- 39) Bluffton, SC
- 40) Bradenton, FL
- 41) Bristol, TN
- 42) Brookhaven
- 43) Brunswick
- 44) Callaway, FL
- 45) Cartersville

- 46) Chamblee
- 47) Charleston, SC
- 48) Chamblee
- 49) College Park
- 50) Conyers
- 51) Cooper City, FL
- 52) Covington
- 53) Decatur
- 54) Douglasville
- 55) Dunwoody
- 56) Fayetteville
- 57) Fairburn
- 58) Forest Park
- 59) Garden City
- 60) Griffin
- 61) Haines City, FL
- 62) Hallandale Bch, FL
- 63) Hapeville
- 64) Hardeeville, SC
- 65) Hinesville
- 66) John's Creek
- 67) Kennesaw
- 68) Kingsland
- 69) Marco Island, FL

- 70) Longboat Key, FL
- 71) Milledgeville
- 72) Milton
- 73) Monroe
- 74) Morrow
- 75) Naples, FL
- 76) New Bern, NC
- 77) North Port, FL
- 78) Peachtree City
- 79) Pensacola, FL
- 80) Perry
- 81) Pinecrest, FL
- 82) Pooler
- 83) Port Wentworth
- 84) Riverdale
- 85) Rockmart
- 86) Rome
- 87) Roswell
- 88) Sandy Springs
- 89) Savannah
- 90) Suwanee
- 91) Tuscaloosa, AL
- 92) Union City
- 93) Valdosta

Boards of Education:

- 94) Atlanta Public Schools
- 95) Bibb County Schools
- 96) Cartersville City Schools
- 97) Clayton County Schools
- 98) Cobb County Schools
- 99) Fayette County Schools
- 100) Fulton County Schools
- 101) Gwinnett County Schools
- 102) Lee County School District
- 103) Marietta City Schools
- 104) Richland Co. School District One
- 105) Savannah-Chatham County Schools

State Governmental Entities:

- 106) Ga. Environ. Fin. Auth. (GEFA)
- 107) Ga. Ports Authority

Other Governmental Entities:

- 108) Central Savannah River Area Regional Comm.
- 109) Charleston Water System
- 110) Clayton County Water Auth.
- 111) Cobb County - Marietta Water Authority
- 112) Greenwood Commissioners of Public Works
- 113) Greer Commission of Public Works
- 114) Henry County Water Auth.
- 115) Lowcountry Regional Transportation Authority
- 116) Macon Water Authority
- 117) Mount Pleasant Waterworks
- 118) Public Building Authority of Knox Co. & Knoxville
- 119) South Florida Transportation Authority
- 120) Tampa Bay Water Authority

Other Attestation Services

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

- Forensic audits
- Performance audits
- Information systems audits
- Agreed-upon procedures
- Bond issuance services
- Fixed asset inventory services

Other Non-Attestation Services

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

- Federal and state income tax planning/return preparation
- International tax matters
- Multi-state income tax issues
- Payroll tax issues
- Information technology (IT) systems consulting
- Cost accounting analysis
- Cost segregation services
- Business & strategic planning
- Profitability consulting
- Budgeting
- Merger / acquisition & expansion financing
- Buy-Sell agreements and business valuations
- Estate planning
- Employee benefit plan accounting and administration
- State sales tax matters
- Healthcare cost reimbursement
- Human resources (HR) predictive index services and interviewing and hiring
- Business, strategic and succession planning
- Information systems consulting and technology engagements

Additional Information of Value Added Services

Free Continuing Education for Governmental Clients

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

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

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



Examples of subjects addressed in past quarters include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- Budget Preparation
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Closing Out and Audit Preparation
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Standards (presented several occasions)
- GASB No. 72, Fair Value Measurement and Application
- GASB No. 74 & 75, New OPEB Standards
- GASB No. 77, Tax Abatement Disclosures
- GASB No. 87, Leases
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Information Technology (IT) Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters



- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Presenting Financial Information to Non-Financial People
- Segregation of Duties
- Single Audits for Auditees
- SPLOST Accounting, Reporting & Compliance
- Uniform Grant Reporting Requirements and the New Single Audit

Governmental Newsletters



We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency.

The newsletters are produced and delivered periodically, and are intended to keep you informed of current developments in the government finance environment. In the past several years, the following topics have been addressed in our monthly newsletters:

- American Recovery & Reinvestment Act (ARRA) Information and Issues
- Are Your Government's Funds Secure?
- Capitalization of Interest
- Changes in FDIC Deposit Insurance Coverage
- Changes on the Horizon for OMB Circular A-133
- Cybersecurity Awareness
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- Form PT 440
- GASB Invitation to Comment – the New Financial Reporting Model
- GASB No. 54, Governmental Fund Balance
- GASB No. 54, Governmental Fund Balance Note Disclosure Requirements
- GASB No. 60, Service Concession Arrangements
- GASB No. 67, New Pension Standard
- GASB No.'s 63 & 65, Deferred Inflows & Outflows
- GASB No. 68 Allocations
- GASB No. 72, Fair Value, It is Not Totally About Disclosure
- GASB No.'s 74 & 75, Other Post-Employment Benefits (OPEB)
- GASB No. 77, Abatements – Go Viral with GASB 77
- GASB No. 87, Leases
- GASB No. 89, Accounting for Interest Cost Incurred Before the End of Construction
- IRS Delays Implementation of 3% Withholding on Payments for Goods and Services



- OMB A-133 Compliance Supplements
- OMB Revisions to A-133
- OPEB, What You Need to Know
- Public Funds and Secure Deposit Program
- Re-Examination of the GASB 34 Reporting Model
- Rotating or Not Rotating Auditors
- Property Tax Assessments
- Refunding Debt
- Sales & Use Taxes on Retail Sales of Jet Fuel
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Supplemental Social Security for Inmates
- The New Tax Cuts and Jobs Act – Impact on Bond Refunding
- The Return of the Component Unit – GASB 61
- Uniform Guidance & New Procurement Requirements
- What's Happening with Property Tax Assessments



Auditor's Discussion & Analysis

During the course of serving our clients, we stress the importance of timely and frequent communication. Such communication takes place throughout the audit and throughout the year, and includes proactive communications regarding new and upcoming accounting standards and auditing standards, as well as, the availability to answer questions and provide advice to the government.



We believe such communication is a key to providing timely value-added service to our clients.

At the conclusion of the audit process, Mauldin & Jenkins prepares an Auditor's Discussion & Analysis (formerly called the Audit Agenda) which provides auditor insight and summarizes the audit process, conclusions, and year end financial analysis all under one cover.

Elements of the Auditor's Discussion & Analysis include the following:

- Information about the Firm, and the respective personnel serving the government;
- Results of the audit and other matters which should be emphasized to the governing council;
- An overview of the governments year-end financial results and auditor insights relative to key financial elements of the government;

- An understanding of the internal control / compliance audit reports and the results of our testing of internal controls and compliance with laws and regulations;
- A summary of certain audit scopes and procedures utilized by Mauldin & Jenkins during the audit process;
- Documentation of certain required communications as required by auditing standards;
- If applicable, a summary of any findings (material weaknesses and / or significant deficiencies) and management recommendations resulting from the audit;
- Practical information regarding upcoming new financial reporting and auditing standards and pronouncements affecting the government; and,
- A summary of the free continuing education and newsletters made available to the government during the past year.

Closing

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

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



Appendix A

Copy of Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/22/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER PointeNorth Insurance Group, LLC PO Box 724728 Atlanta GA 31139	CONTACT NAME: Brenda Durham PHONE (A/C, No, Ext): (770) 858-7540 E-MAIL ADDRESS: bdurham@pointenorthins.com FAX (A/C, No): (770) 858-7545
INSURED Mauldin & Jenkins, LLC 200 Galleria Parkway SE Suite 1700 Atlanta GA 30339-5946	INSURER(S) AFFORDING COVERAGE INSURER A : Cincinnati Insurance Company INSURER B : The Hartford -Rated by Multiple Companies INSURER C : INSURER D : INSURER E : INSURER F : NAIC # 10677 00914

COVERAGES

CERTIFICATE NUMBER: 2018/2019 Master

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			ECP0258054	07/01/2018	07/01/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			ECP0258054	07/01/2018	07/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	☒ UMBRELLA LIAB ☒ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 0			EXS 0262115	07/01/2018	07/01/2019	EACH OCCURRENCE \$ 11,000,000 AGGREGATE \$ 11,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A	20WECAI5405	08/31/2018	08/31/2019	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

FOR INFORMATION PURPOSES ONLY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



VERIFICATION OF INSURANCE

ISSUED TO: Parties at Interest

We, the undersigned Insurance Brokers, hereby verify that Scottsdale Insurance Company & Various Insurers have issued the following described insurance, which is in force as of the date thereof-

PROFESSIONAL LIABILITY INSURANCE

NAME OF INSURED: Mauldin & Jenkins, LLC and others as more fully described in the Policy.

POLICY NUMBER: HWS0000052

PERIOD OF INSURANCE: 12:01 a.m. January 23, 2018 to 12:01 a.m. January 23, 2019

SUM INSURED: \$2,000,000 Each claim and in the aggregate including costs, charges and expenses

SUBJECT TO ALL TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY

This document is furnished to you as a matter of information only and is not insurance coverage. Only the formal policy and applicable endorsements offer a comprehensive review of the coverage in place. The issuance of this document does not make the person or organization to whom it is issued an additional insured, nor does it modify in any manner the contract of insurance between the Insured and the Insurer. Any amendment, change or extension of such contract can only be effected by specific endorsement attached thereto. Should the above described Policy be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Issued at Chicago, Illinois

Date: January 26, 2018

Integro USA Inc.

Per:


Managing Principal

Appendix B
SAVE Affidavit



City of Holly Springs

SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENTS (SAVE)

Affidavit of Compliance with O.C.G.A. 50-36-1 "Verification of Lawful Presence within the United States."

O.C.G.A. 50-36-1 requires that applicants applying for such things as licenses for public benefits complete a signed and sworn affidavit verifying the applicant's lawful presence in the United States. Therefore, the applicant must answer the following questions:

The applicant is a U. S. citizen or legal permanent resident at least eighteen (18) years old.

X YES _____ NO or IF NOT:

The applicant is a qualified alien or nonimmigrant under the federal Immigration and Nationality Act, Title 8 U.S.C., as amended, at least eighteen (18) years old, and is lawfully present in the United States. *A photo static copy of the applicant's alien card issued by the Department of Homeland Security or other federal immigration agency must be included with this document.**

O.C.G.A. 50-36-1 states that "Any person who knowingly and willfully makes a false, fictitious, or fraudulent statement of representation in an affidavit executed pursuant to this Code section shall be guilty of a violation of Code Section 16-10-20."

I declare, under penalty of law, that this affidavit has been completed by me and is true and correct.

Signature

January 3, 2018

Date

Partner

Title

Mauldin & Jenkins, LLC

Legal Company Name

200 Galleria Parkway, Suite 1700, Atlanta, GA 30339

Company Address

(Must be signed by applicant. If the applicant is a corporation, must be signed by an officer of the corporation. A STAMPED SIGNATURE IS NOT ACCEPTABLE.)

I hereby certify that James Bence is personally known, or verified by me, that the applicant signed this application after stating to me his or her personal knowledge and understanding of all statements and, under oath actually administered by me, has sworn that the statements and answers contained in this affidavit are true.

SUBSCRIBED AND SWORN BEFORE ME ON THIS

3 DAY OF January, 2018

Notary Public



*All applicants must attach a copy of a secure and verifiable document as defined in O.C.G.A. 50-36-2.

Appendix C

GSIC Act Contractor Affidavit and Agreement

EXHIBIT "A" – CONTRACTOR AFFIDAVIT AND AGREEMENT

CONTRACT AFFIDAVIT AND AGREEMENT

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. 13-10-91, stating affirmatively that the individual, firm, or corporation which is contracting with Columbia County, Georgia has registered with and is participating in a federal work authorization program* [any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603], in accordance with the applicability provisions and deadlines established in O.C.G.A. 13-10-91.

The undersigned further agrees that, should it employ or contract with any subcontractor(s) similar verification of compliance with O.C.G.A. 13-10-91 on the Subcontractor Affidavit provided in Rule 300-10-01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide copy of each such verification to the Columbia County, Georgia at the time the subcontractor(s) is retained to perform such service.

** 105410

EEV/Basic Pilot Program* User Identification Number

M. Elton Wolf
BY: Authorized Officer or Agent
(Contractor Name)

3/13/08
Date

Managing Member
Title of Authorized Officer or Agent of Contractor

M. Elton Wolf
Printed Name of Authorized Officer or Agent

SUBSCRIBED AND SWORN
BEFORE ME ON THIS THE

13th DAY March, 2008

Margaret Brown
Notary Public

My Commission Expires:

Notary Public, Cobb County, Georgia

My Commission Expires January 24, 2012

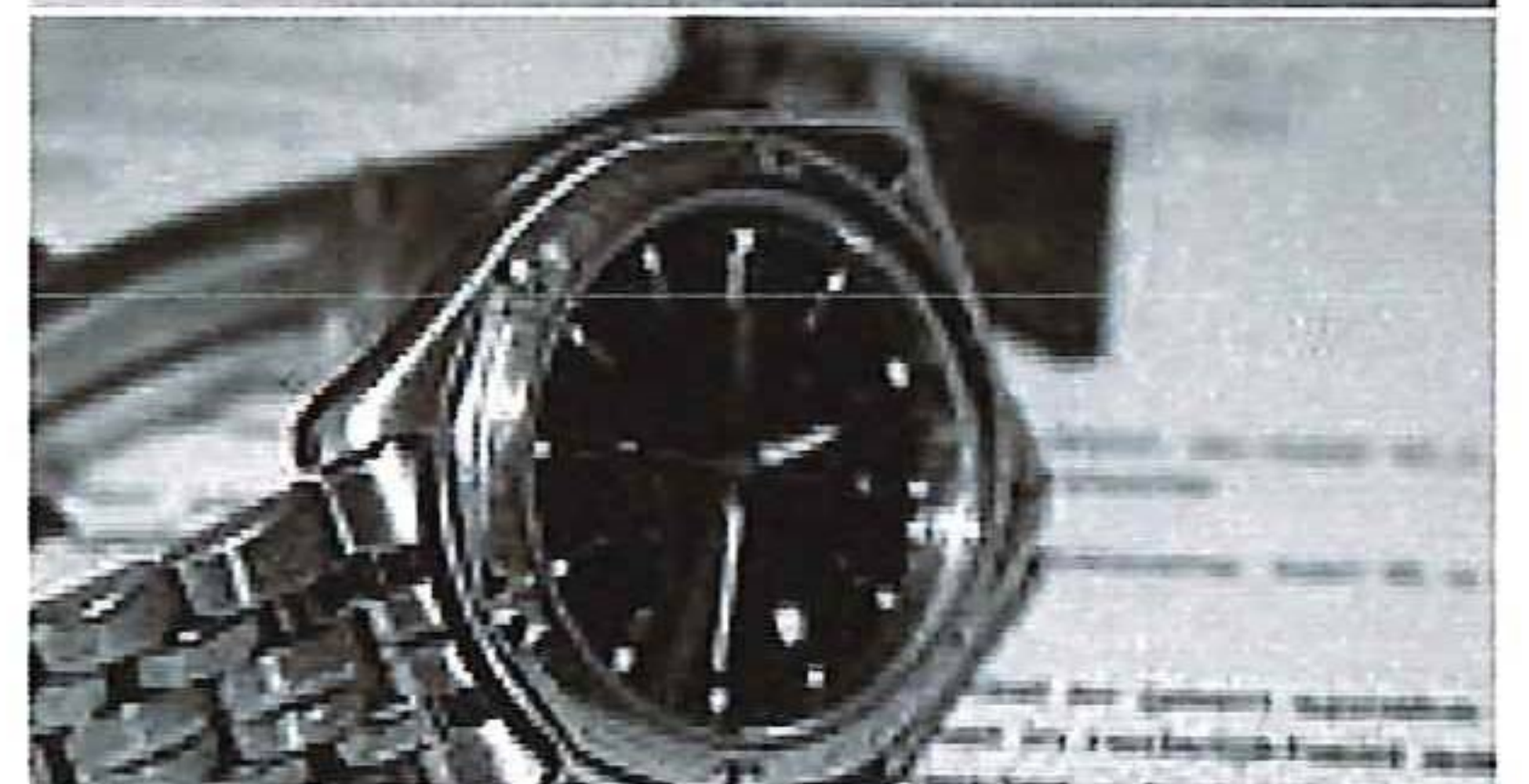
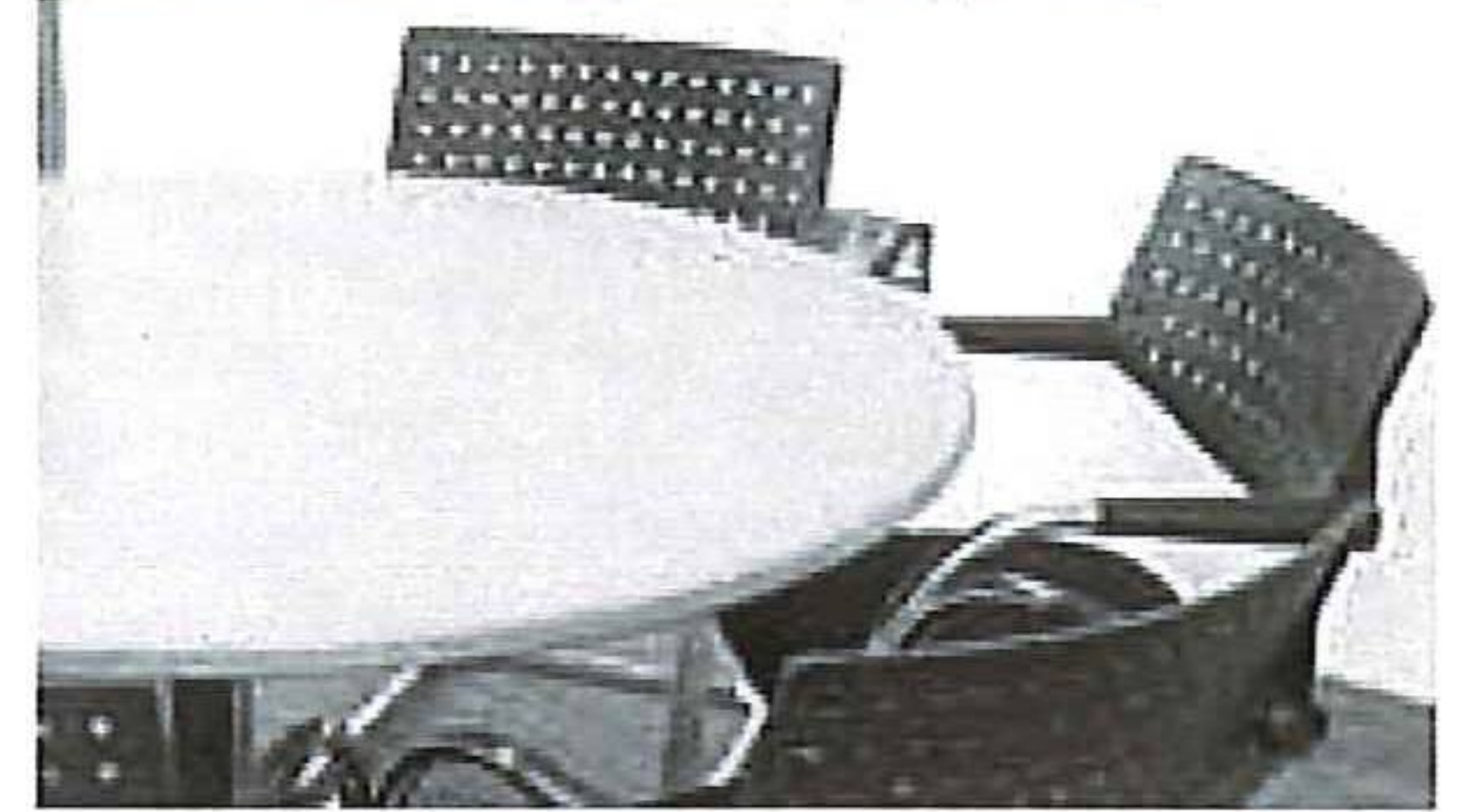
*As of the effective date of O.C.G.A. 13-10-91, the applicable federal work authorization program is the "EEV/Basic Pilot Program" operated by the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration (SSA).

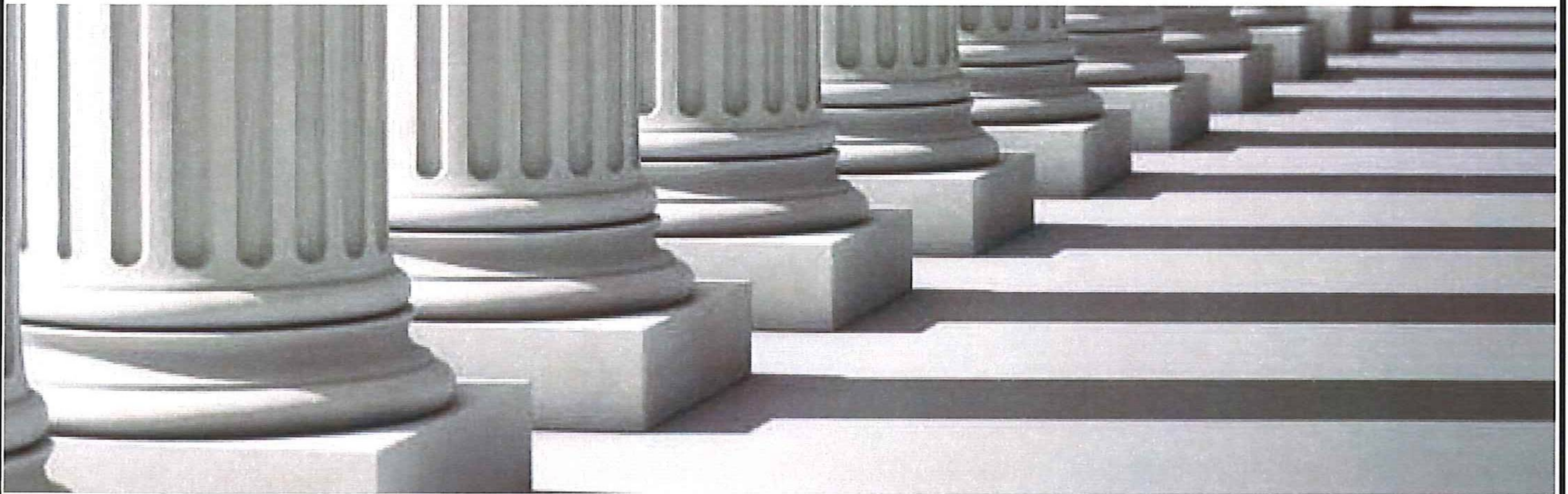
** We registered for this service on
March 6, 2008 and will begin using
verification immediately on all new hires.

770-955-8600

www.mjcpa.com

MAULDIN & JENKINS





Holly Springs, Georgia

Cost Proposal to Provide Audit Services RFP No. 2018-02

Fiscal Year December 31, 2018 through 2021

Mauldin & Jenkins Certified Public Accountants

Contact Person: James Bence, CPA, Partner

Phone: (770) 955-8600

Email: jbence@mjcpa.com

**200 Galleria Parkway
Suite 1700
Atlanta, Georgia 30339
Web: www.mjcpa.com**

**MAULDIN
& JENKINS**



January 4, 2019

City of Holly Springs, Georgia
Attn: Mr. Rob Logan
3237 Holly Springs Parkway
Holly Springs, Georgia 30142

Ladies and Gentlemen:

Mauldin & Jenkins is pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City of Holly Springs, Georgia (the "City"). It is our understanding that the City is requesting proposals from qualified firms of certified public accountants to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract for such audit services will be for the fiscal year ended December 31, 2018, with an option for each of the three (3) subsequent fiscal years, subject to annual review and the annual availability of an appropriation for audit services by the City.

As requested by the City, we have enclosed on the following pages an all-inclusive maximum fee for the financial and compliance audit services for the fiscal years noted above. This sealed cost proposal contains all pricing information relative to the performance of the audit. The total all-inclusive maximum price for the fiscal years ending December 31, 2018 through 2021 is as follows:

- 2018 - \$18,500
- 2019 - \$18,500
- 2020 - \$18,500
- 2021 - \$19,250

As a partner at Mauldin & Jenkins, LLC, I am certified and authorized to represent Mauldin & Jenkins, empowered to submit the bid, and authorized to sign a contract with the City. We appreciate the opportunity to propose and we look forward to hearing from you.

Sincerely,

MAULDIN & JENKINS, LLC

A handwritten signature in blue ink, appearing to read 'James Bence'.

James Bence, CPA
Partner

Important Notes to be Considered:

Note (1) – Unlimited Correspondence: It is Mauldin & Jenkins' policy to not charge for simple discussions and conversations that occur between the governmental entity and Mauldin & Jenkins that are only simple discussions (i.e., a phone call to ask certain questions that do not require additional research).

Note (2) – Free Periodic/Quarterly Continuing Education: As noted in our technical proposal, we provide free quarterly continuing education classes to our clients. This could amount to approximately \$3,000 of annual savings for the City's estimated finance department per person.

Note (3) – Additional Services: If it should become necessary for the City to request Mauldin & Jenkins to provide any additional services (such as bond insurances, etc.), then such additional work shall be performed only if set forth in an addendum to the contract between the City and Mauldin & Jenkins.

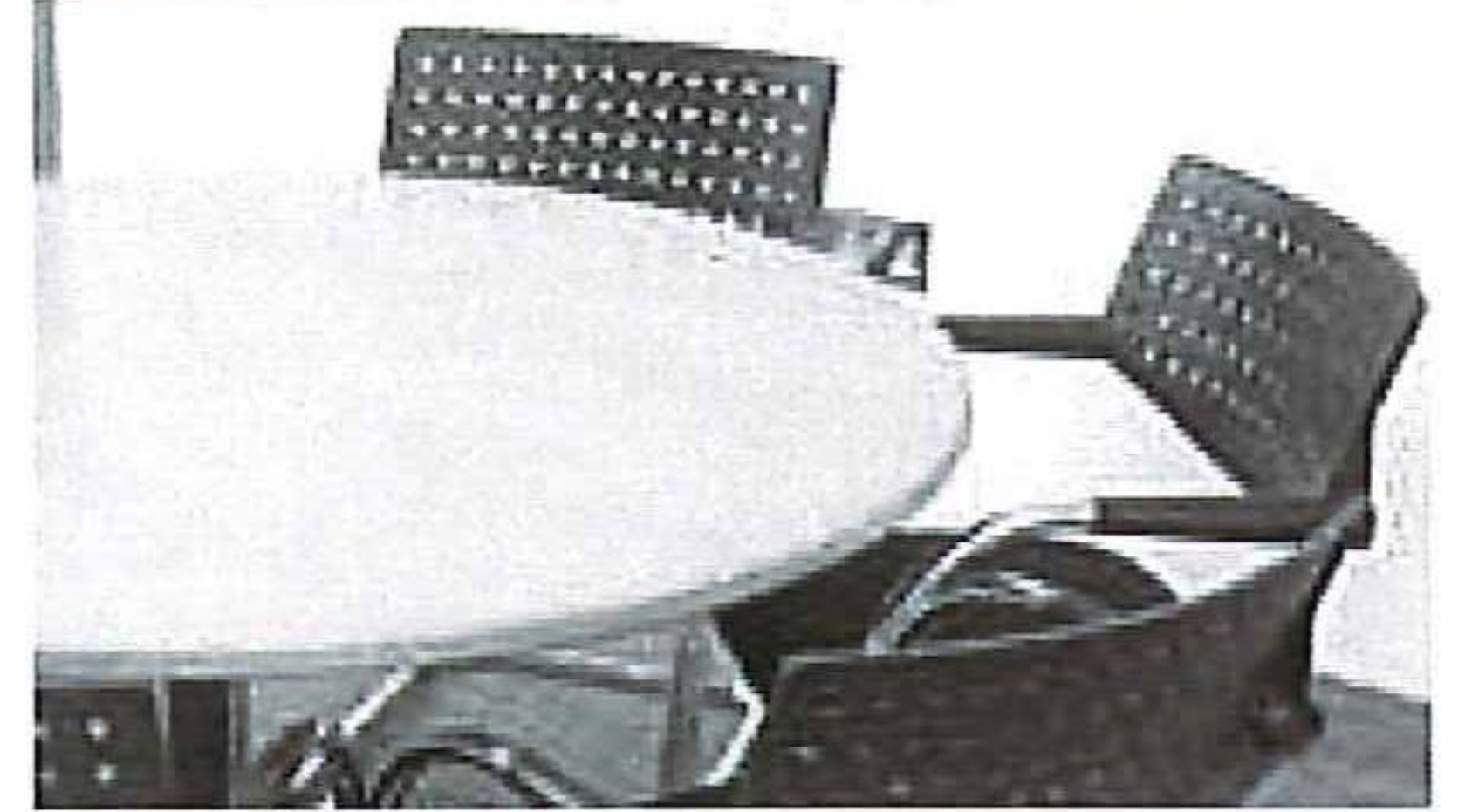
Note (4) – No Hidden Fees or Costs: The pricing schedules contain all pricing information relative to performance of the audit as required by the City including all reimbursement for travel, lodging, communications, etc. Our estimated fees are based on our professional judgment and experience with similar governmental entities. So long as there are no significant changes in the operations or the number of major programs of the City and or the scope of services requested or significant problems requiring additional time, our quoted fees will not change.

Note (5) – Single Audit: The City's Request for Proposal (RFP) noted the possibility of a Single Audit being required from time to time. At this time, it is our understanding no Single Audit is currently required, and no major programs currently exist nor expected going into the immediate future. Therefore, and due to the uniqueness and variety of Federal grant programs, should a Single Audit ever be determined to be required, we will address such a need at that time, and no provision is made as of today.

770-955-8600

www.mjcpa.com

MAULDIN & JENKINS



**Proposal to Provide Auditing Services
City of Holly Springs
For periods December 2017-2021**

Presented by:
RL Jennings & Associates, PC
Accountants and Consultants
506 East Third Street
Rome, GA 30162

Office: 706-802-1945
Fax: 706-802-1279

RL Jennings & Associates, PC

Certified Public Accountants

R. Lee Jennings, CFCA, CGMA, CPA
Thomas H. Evans, Jr., CPA
Marvin Chance, CGMA, CPA
Joe Sapp, CPA
Katherine S. Washington, CPA

Member

American Institute of
Certified Public Accountants

Georgia Society of
Certified Public Accountants

506 East Third Street
Rome, Georgia 30161
Phone 706.802.1945 Fax 706.802.1279
www.romecpa.com
14224 Highway 515 North, Suite 700
Ellijay, Georgia 30540
Phone 706.273.1945 Fax 706.273.1946
www.ellijaycpa.com

LETTER OF TRANSMITTAL

January 2, 2019

City of Holly Springs
3237 Holly Springs Parkway
P.O. Box 990
Holly Springs, Georgia 30142

RL Jennings & Associates, PC sincerely appreciates this opportunity to provide you with our credentials and capabilities to serve as independent auditors for the City of Holly Springs (the "City"). We have a team of governmental auditors with substantial experience in auditing municipalities and other governments. This team possesses the necessary prerequisite qualifications and experience to serve as your independent auditors. Our goal is very simple, to be the best governmental auditing firm in the state of Georgia.

Governmental Practice Cornerstone of the Firm

RL Jennings & Associates' governmental practice is a cornerstone of the Firm. Our governmental practice is one of our premier practice groups.

Long Term Relationships

RL Jennings & Associates was founded in 1974 with the objective of providing auditing, accounting, tax, and consulting services with the highest degree of quality at reasonable rates. We continue to provide high quality services at reasonable rates today and for that reason continue to serve clients that we have served for the past forty years.

Seasoned Professionals

We are an established Firm with a long track record of service, and our professional staff has many years of experience in serving governmental entities. Our audit team serving the City will include professionals that have practiced in the governmental and not-for-profit fields. Our philosophy is to have experienced professionals on-site during the entire audit, thereby insuring that the City receives the very best professional services available.

Committed to Your Success

All of our governmental auditors exceed the continuing education requirements stipulated by the GAO. Our firm is an active participant in the Georgia Government Finance Officers Association. Our investment in your success also extends to the technology available to our auditors. We utilize paperless auditing software, data analysis software, and other computer auditing techniques that will allow us to integrate detailed information from your general ledger into our auditing software. When you choose RL Jennings & Associates, we make a commitment to provide you with the highest level of trained professionals who have the most sophisticated and current technology at their disposal.

You Will Receive the Best Service Possible

We fully recognize the significance of this opportunity to serve the City. We will commit our very best people to your engagement, and we promise that we can be a valuable resource to your organization. As Engagement Partner and Managing Partner for the firm, R. Lee Jennings is authorized to make representations for the engagement team and contractually bind RL Jennings & Associates.

Our audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants, and in accordance with the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the Official Code of Georgia Annotated. If a Single Audit is required, our audit shall be additionally performed in accordance the Single Audit Act Amendments of 1996, and Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Our audit shall be designed to accomplish the City's requirements and objectives.

This proposal is valid for 90 days from date of this letter.

Sincerely,

A handwritten signature in black ink that reads "R. Lee Jennings & Associates, P.C." in a cursive script.

RL Jennings & Associates, PC

1. FIRM INFORMATION

FIRM QUALIFICATIONS AND EXPERIENCE

RL Jennings & Associates (including its predecessor firm) has been in business for over forty-one years and has grown to be one of the largest independently owned and operated local certified public accounting firms in North Georgia. Serving clients throughout Georgia and neighboring states gives us regional recognition as well. Our partners are recognized in their field of practice. The Firm and all of its CPAs are actively involved with the Georgia Society of CPAs and the AICPA, as well as the Public Companies Practice Section of the AICPA. Members of our Governmental Practice Group are also involved with the AICPA Governmental Audit Quality Center. We have offices in Ellijay and Rome, Georgia.

The four cornerstones of RL Jennings & Associates industry practice are governmental, not-for-profit, employee benefit plans and non-public for-profit entities. Each one of these practice groups is made up of top employees in their field. The Governmental Practice Group is chaired by Thomas Evans.

Our top-quality governmental training courses allow us to address specific areas that impact our clients. We also believe our staff is well trained. Our CPE program is structured and our instructors are some of the best.

We are committed to providing quality audit services to our local governments. Our practice is designed around serving our governmental clients. Audit clients comprise approximately 60% of our total clients, and of our audit clients, approximately 80% are governmental entities. Our governmental audits are staffed out of our Ellijay and Rome offices.

Founded in 1974, our firm has been on the leading edge in practicing governmental audits. Beyond our governmental practice, we provide assurance, compliance, advisory and other accounting services to a variety of clients both within and outside the State of Georgia. We have the experience and staying power to ensure that you will receive the best possible service for the years to come.

Quality Control

Quality control in any CPA firm can never be taken for granted. It requires a continuing commitment to professional excellence. We are dedicated to that commitment. As a member of the Private Companies Practice Section of the AICPA, we must obtain an independent compliance review of our firm's quality control policies and procedures to ascertain compliance with existing auditing standards on the applicable engagements.

Homeland Security

RL Jennings & Associates is registered with the United States Department of Homeland Security for the purpose of verifying new employee work eligibility under the Georgia Security and Immigration Compliance Act of 2006.

Local Presence

Our Firm is currently serving numerous clients located in North Georgia, including many governmental entities. The work for your audit will be managed out of our Ellijay location.

Our firm's Governmental Practice Group is made up of 11 professional staff. The following is a breakdown of our governmental staff:

RL Jennings & Associates Office Staffing	
Partners	1
Managers	3
IT Specialists	1
Staff	3
Support Staff	4
Total	12

Locations:

Main Office

RL Jennings & Associates, PC
506 East Third Street
Rome, Georgia 30161
706-802-1945

R. Lee Jennings, Managing Partner
lee@romecpa.com

Branch Office

RL Jennings & Associates, PC
14224 Hwy 515 North Suite 700
Ellijay, Georgia 30540
706-273-1945

This location will manage the audit services

Marvin Chance, Manager
marvin@ellijaycpa.com

2. UNDERSTANDING SERVICES AND OUR APPROACH

Objectives and Requirements

RL Jennings is aware that the City is seeking an auditor to examine and express an opinion on the fair presentation of their general purpose financial statements and the supporting schedules in conformity with accounting principles generally accepted in the U.S. When applicable, the examination will also include a Single Audit in accordance with the U.S. Office of Management and Budget (OMB) Uniform Guidance, and the Government Audit Standards issued by the United States General Accounting Office. It must also meet the requirements of the applicable laws of the State of Georgia. The auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

Objectives and Requirements

RL Jennings is aware that the City is seeking an auditor to examine and express an opinion on the fair presentation of their general purpose financial statements and the supporting schedules in conformity with accounting principles generally accepted in the U.S. When applicable, the examination will also include a Single Audit in accordance with the U.S. Office of Management and Budget (OMB) Uniform Guidance, and the Government Audit Standards issued by the United States General Accounting Office. It must also meet the requirements of the applicable laws of the State of Georgia. The auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

SPECIFIC AUDIT APPROACH

The environment in which audits are performed is changing at a rapid pace. The Auditing Standards Board of the AICPA has recently issued Statements on Auditing Standards (SAS's) 104-112, collectively referred to as the risk assessment standards. The implication of these new standards has caused a dramatic shift in the way audits are performed. These new standards are effective for fiscal years beginning on or after December 16, 2006. With these new standards an auditor is now required to obtain an understanding of internal control and assess the risks of fraud and material misstatement specific to each engagement. Our audit must be specifically designed to address any risks identified during our assessment of internal controls. It will be imperative for your auditor to have an in-depth understanding of these new SAS's and develop an audit approach to meet the new requirements.

RL Jennings & Associates made the decision to adopt these standards early to ensure our adequate response and a clear understanding. Our technical advisory staff has performed extensive research and developed an audit plan that maintains our high level of efficiency and meets the requirements outlined in the new standards. Our approach is outlined below in the format requested in the request for proposal:

Proposed Segmentation of the Engagement

Phase I - Pre-planning:

Upon acceptance of our offer we will meet with your staff to gain an understanding of the organization of your City, and the internal control systems in place over financial transactions. To aid in this understanding we have developed a 'plain language' questionnaire and an initial list of items we will need to begin planning our approach to your audit. This initial list typically includes minutes of the meetings of the governing body, significant contracts or grant agreements, a preliminary trial balance, the City's budget, organizational charts, policy manuals, and descriptions of its financial and management information systems.

Phase II – Planning:

After our initial meeting and upon receipt of the items we initially request we will begin the planning process. This will involve follow-up questions from your answers to our "plain language" questionnaire, and the documentation provided to us. During this phase of the engagement we will also perform a 'walk through.' A walk through involves following a transaction (typically a receipt and/or a disbursement) from origination through its final entry into the general ledger. This process can be performed in a variety of methods and we will discuss with your staff to determine the most efficient approach. From the results of our walk through testing and our planning we will make a final conclusion on our assessment of your internal control procedures and the material risks specific to your City.

Based on our final assessment, we will determine the reliance that can be placed on your internal control structure and the extent of our substantive testing. The final step in the planning phase is the design of custom audit programs specific to your engagement as dictated by the Risk Based Auditing Standards.

Phase III – Internal Control Testing:

After our determination of the level of reliance on internal controls, we will select samples of transactions from various material classes of accounts and perform testing to ensure that the internal control system is functioning effectively. Also, a review of state and local laws and regulations will be performed to assess any special compliance requirements. Based on the above findings, we will modify the audit program to either expand or contract the level of audit examination required.

Phase IV – General Fieldwork:

The engagement manager will serve as the lead auditor and direct the staff assigned to the engagement to execute the audit plan that was developed and modified in the previous phases. This will include tests of compliance of the various programs in accordance with the laws of the State of Georgia and the United States of America. Random number generated statistical sampling will be used to test for compliance, as well as systematic sampling. We will use the PPC audit guide programs for Local Governments and any other related audit programs to complete this phase. Final analytical comparisons between budget and actual and prior year data will also be performed during this phase of the audit.

Phase V – Audit Completion and Financial Statements:

During this phase all work papers will be reviewed in accordance with the firm's quality control policies (engagement partner). The financial statements will be drafted along with any required reports. Once the final drafts are complete and the engagement partner completes his final review, the work papers and financial statements will be sent to the technical advisor for a second review. After any modifications are addressed, the engagement partner will release the financial statements and required reports to the City.

Phase VI – Meeting with the Management:

During this phase, the engagement partner will meet with the City Manager and discuss the auditor's responsibilities, the audit reports and significant matters therein, disagreements with management, and any other issues brought to light during the audit.

Engagement Schedule and Staffing

We have designed our approach to provide the best resources when and where they are needed. If selected, we will schedule our audit at a mutually convenient time. We anticipate meeting with the City's staff prior to general fieldwork to conduct the preplanning and planning phases of the audit with final fieldwork beginning as soon as the City is ready for us to begin. Financial statements and our reports will be issued as soon as possible thereafter.

Sample Size and the extent to which statistical sampling is to be used in the engagement

Sampling is an important part of auditing and allows us to gain efficiency in an engagement by applying test procedures to a representative sample of the population rather than testing 100% of the population. The Statement on Auditing Standards No. 111 "Amendment to Statement on Auditing Standards No. 39, Audit Sampling," states the following regarding audit sampling:

There are two general approaches to audit sampling: non-statistical and statistical. Both approaches require that the auditor use professional judgment in planning, performing, and evaluating a sample and in relating the audit evidence produced by the sample to other audit evidence when forming a conclusion about the related account balance or class of transactions.

During the planning phase of the audit, we will make determinations based on the nature of your transactions, the size and volume of various transactions, and the availability of data to determine the nature and extent of sampling to be used during the course of the audit.

Type of EDP software used in the engagement

RL Jennings & Associates has invested significant resources in ensuring that we have the most current technology available at our disposal. This ensures that our assets in the field will have everything needed to complete the engagement in the most efficient manner. All of our audit staff has undergone extensive training in computer auditing techniques, data mining, and data integration. During the preplanning and planning phases of the engagement, we will assess the extent to which these resources can be most efficiently applied to your engagement. We will assess any other areas where our technology can most efficiently be applied.

In the current environment, data security is of paramount importance. Our Information Technology Department is highly trained in data security and connectivity. We currently have a tri-level encryption system to ensure data is protected while allowing our auditors to connect to resources available at the home office for research and other auditing purposes.

Type and extent of analytical procedures to be used in the engagement

Analytical procedures are employed for the following purposes:

- To assist the auditor in determining the nature, timing, and extent of other audit testing.
- As substantive testing to obtain evidence regarding assertions related to account balances or particular classes of transactions.
- As an overall review during the final stages of an audit.

Analytical procedures are an important part of the audit process and consist of evaluations of financial information made by a study of plausible relationships among both financial and non-financial data. Analytical procedures can range from simple comparisons to complex models.

Analytical procedures are typically more cost effective than a test of details and efficiency can be gained through the application of analytical procedures. During the planning and risk assessment phases of the audit, we will determine where analytical procedures can be most effectively applied.

Approach to be taken to gain and document an understanding of the City's internal control structure

For the purposes of a financial statement audit, control systems are divided into five elements: the control environment, risk assessment, control activities, information and communication, and monitoring. We divide our assessment of internal controls into two broad categories, entity-wide controls and activity-level controls. We first assess the elements of control for the entire City; this includes obtaining a general understanding of the City and the environment in which the City conducts its day to day operations. After this step is complete, we obtain an activity-level of understanding of controls in place over specific types of accounts and classes of transactions.

We perform the following specific procedures to gain our entity-wide and activity-level controls:

1. We have you fill out a questionnaire that will provide us with an initial 'road map' for the procedures you currently have in place.
2. After reviewing your answers to our questionnaire, we perform a follow-up interview and review a preliminary analysis of your trial balance and general ledger to determine specific material account balances and classes of transactions.
3. We will select a small sample of transactions and perform walk through procedures described above to track transactions through your financial management system to determine if controls noted in the previous steps are functioning effectively.

4. Based on the results of the above procedures, we will perform a final assessment of entity-wide and activity-level controls. At this point, a decision will be made as to the extent of our internal control testing and reliance on internal controls.

With the advent of the new auditing standards, a detailed examination and documentation of internal controls is required. This is forcing our audit clients to review their internal control procedures and address any weak points in the process. We will provide recommendations throughout this phase of the audit to aid you in strengthening your internal control systems.

Approach to be taken in determining laws and regulations that will be subject to audit test work

The governmental environment is subject to strict regulation at the local, state, and federal levels. We have developed a close working relationship with the Georgia Department of Audits, the Georgia Department of Community Affairs, and other state agencies to assist in the identification of laws and regulations your City will be subject to during the audit period. Our specific approach involves the following steps:

1. During the planning phase of the engagement our staff will meet with you and determine current projects and activities of the City. We will review all grant and contract agreements for any specific compliance requirements. We will also provide materials to you regarding general regulatory requirements for cities in Georgia.
2. Once an assessment has been made of the laws and regulations applicable to the City, our compliance testing will be designed to provide necessary assurance regarding compliance with those laws and regulations.
3. At the end of the engagement written representations will be obtained from the City and the City's legal counsel regarding statutory compliance.

We use authoritative materials provided by the State and other non-authoritative audit guides to assist in providing the necessary assurance in regards to compliance with applicable laws and regulations. Should the City become subject to Uniform Guidance requirements, we will use as a guideline for developing testing procedures the OMB's Circular A-133 and the specific compliance supplements related to the major programs of the City.

Approach to be taken in drawing audit samples for purposes of tests of compliance

In designing audit procedures to provide assurance with applicable laws and regulations, we perform a review of the compliance requirements, assess the types of information available to test compliance, and design our procedures to allow us the most efficient method for testing compliance. Our audit procedures typically rely heavily on the use of sampling methodologies to gain efficiencies by testing a representative sample of the population. Sampling methodologies fall into two broad categories, statistical and non-statistical. The nature of the class of transactions tested for compliance will determine the most efficient approach.

As there is no specific authoritative literature regarding sample size determinations, we rely heavily on our professional judgment supported by technical guidelines contained in audit literature available to us to plan the test and sample size, select a sample we believe is representative of the population, and evaluate the results of the testing of our sample. Using this methodology, we can obtain assurances regarding the compliance with a specific statutory requirement.

Our tests of compliance typically involve a selection of disbursements or receipts related to a specific program and/or type of revenue or expenditure. During the planning and fieldwork phases of the audit, we will discuss with you the most efficient approach for determining the samples needed and the methodologies used for the purposes of tests of compliance.

Work Plan and Schedule

Field work to start approximately May 1 Annually

Field work completed by May 31 Annually

Draft report delivered by June 20 Annually

Final report completed by June 30 Annually

Workload

The staff assigned to this audit will consist of, but to limited to:

Lee Jennings, Partner

Tom Evans, Manager

Marvin Chance, Manager

Staff accountant

3. SUB-CONTRACTORS/CONSULTANTS

R L Jennings & Associates does not anticipate using sub-contractors or outside consultants for these audit services.

4. PERSONNEL

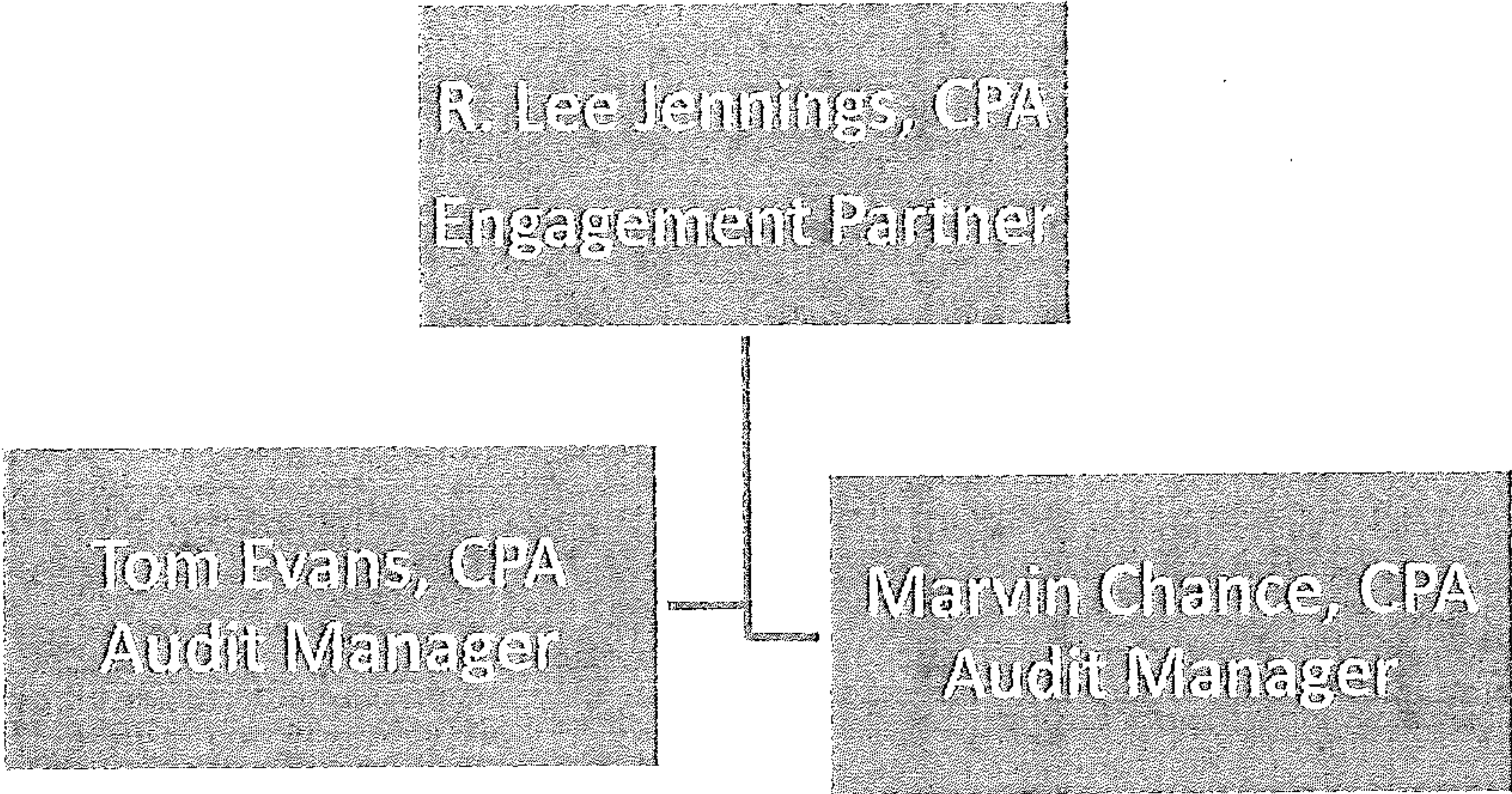
PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

The single most important issue for you to consider when comparing audit team qualifications in selecting an accounting firm is who will actually be performing the work. Significant consideration should also be given to the audit firm’s commitment to staff continuity. With this in mind, we have assembled a unique team of highly-qualified accounting professionals with over 30 years of governmental and nonprofit experience serving our clients. We feel confident that our engagement team members will be returning in subsequent years, because we treat our staff like the professionals they are. They are our greatest asset. They are not members of a staff pool that turns over frequently; they are real people with families in the community who will be servicing your account for many years to come.

What distinguishes one CPA firm from another, is its people. CPA firms are not names, logos, or multi-national extravaganzas. Firms are groups of qualified professionals who have developed areas of specific industry specialization, whose mission is to provide quality service to their clients. Through the networking of specific talents, today’s progressive CPA firms can offer a diverse array of industry specializations.

Our commitment to serve you is the driving force in forming the strongest possible team of professionals with governmental/nonprofit experience available in the state of Georgia. All engagement team members are committed to the timeline proposed and will not have concurrent conflicts with that timeline.

For your City’s engagement, we are proposing a team of the strongest personnel resources of our professional staff. Our audit team will include two highly-experienced partners and one highly-experienced manager functioning in supervisory roles. These, along with our assigned senior and staff, have all dedicated a substantial part of their professional careers working in the public sector. To ensure that you receive excellent service, you must have excellent professionals serving you. The following is a brief introduction to those who will diligently serve you:



R. Lee Jennings, CPA, CFCA
Managing Partner

Years in public accounting: 25
Governmental CPE hours taken in
the last two years: 40

R. Lee Jennings, CPA, CFCA will be the engagement partner for this engagement and will be responsible for the overall quality of the report and the supporting work papers. Mr. Jennings assumed the role of Managing Partner for the firm as of December 1997. He has worked in the field of accounting since June 1985. His experience includes significant governmental auditing, having performed as the lead auditor for the Floyd County, Georgia audit and as the engagement partner for the majority of our governmental engagements. Mr. Jennings other auditing experience includes not-for-profit agencies subject to the requirements of the Single Audit Act. He has also worked in industry, serving for four years as cost accounting manager for a local publicly traded company. Mr. Jennings is a 1985 graduate of Berry College where he received a BBA in Accounting. His professional affiliations and distinctions include the following:

Member, American Institute of Certified Public Accountants
Member, Georgia Society of Certified Public Accountants
Certified Forensic Claims Accountant
Past President, Educational Foundation, Georgia Society CPA's
Captain, Retired, U.S. Army Reserve

Thomas H. Evans, CPA
Manager

Years in public accounting: 30
Governmental CPE hours taken in
the last two years: 40

Tom Evans will be the manager on this audit. He is the lead auditor on work performed in the Fannin, Cherokee and Polk County areas. Mr. Evans spends 75% of his audit time on governmental and not-for-profit entities and has over 10 years experience in the public sector including Fannin County, Georgia and Holly Springs, Georgia.

Member, American Institute of Certified Public Accountants
Member, Georgia Society Certified Public Accountants

Marvin Chance, CPA
Manager

Years in public accounting: 30
Governmental CPE hours taken in
the last two years: 40

Marvin Chance will be the manager on this audit. He is the lead auditor on work performed in the Towns, Union, and Polk County areas. Mr. Chance spends 75% of his audit time on governmental and not-for-profit entities and has over 10 years experience in the public sector including Ellijay, Georgia, Fairmount, Georgia, and Young Harris, Georgia.

Member, American Institute of Certified Public Accountants
Member, Georgia Society Certified Public Accountants

Personnel involved in audits of clients with federal and state financial assistance are required to comply with the continuing professional education ("CPE") requirements imposed by *Government Auditing Standards* ("GAGAS") if, during the engagement they are in charge, review the working papers or audit reports, or supervise the work of other personnel on the engagement. In the event these conditions are met, those personnel are required to take and maintain at least 80 hours of accounting and auditing CPE every two years, which must include 24 hours of governmental or not-for-profit training.

All members of the governmental audit staff of our Firm and audit team members assigned to this engagement, regardless of their individual roles of responsibility, are in compliance with the CPE requirements set forth in GAGAS, issued by the Comptroller General of the United States. In addition, we are in compliance with the applicable provisions of the Georgia Statutes that require CPA's to meet CPE requirements prior to proposing on governmental audit engagements.

Our audit team does not perform just one federal/state financial assistance program audit; our staff auditors are exposed to intensive and continuing concentration on various types of these audits. Due to the total number of governmental/nonprofit grant audits our team performs, each member of our governmental audit staff understands and is able to perform several types of federal/state grant audits.

It is our objective to provide our professional staff at least 50 hours of comprehensive CPE training each year. This is accomplished by attending seminars throughout the state of Georgia and United States and is reinforced by in-house training through our own firm wide training program. Specific governmental training attended by the partners and each person assigned to this audit in the last two years is as follows:

Prior two years of Governmental CPE hours	
Lee Jennings	40
Thomas Evans	40
Marvin Chance	40

GASB STATEMENT NO. 34 EXPERIENCE AND QUALIFICATIONS

All members of our governmental audit staff are trained in and experienced with the requirements and application of this Statement since its effective date.

5. REFERENCES

Please list three (3) references for current or recent customers who can verify the quality of service your company provides. Projects of similar size and scope are preferable.

1. City of Young Harris Georgia
Young Harris, GA
External audit services
June 30, 2018
Shirley Jarrard, City Clerk
Phone 706-379-3171 Email: shirleyjarrard@cityofyoungharris.net
2. City of Fairmount Georgia
Fairmount, GA
External Audit Services
June 30, 2018
Petrina Pritchett, Financial Officer
Phone 706-337-5306 Email: ppritchett@fairmountga.gov
3. Northwest Georgia Regional Commission
Rome, GA
External audit services
December 31, 2018
Joey Cumbie, Financial Director
Phone 706-295-6485 Email: jcumbie@nwgrc.org

7. AICPA

RL Jennings & Associates, PC is currently in good standing with the AICPA

8. Liability Insurance



AICPA PROFESSIONAL LIABILITY INSURANCE PROGRAM

The Experience To Protect Your Future

1100 Virginia Drive, Suite 250
Fort Washington, PA 19034-3278
Phone: (800) 221-3023
Fax: (800) 853-5227
www.cpai.com

July 02, 2018

Client No.: 0441131000

Policy No.: APL 275488834

Policy Period: 6/01/18 To 6/01/19

RL Jennings & Associates, PC
Mr. Lee Jennings
506 East Third St
Rome, GA 30161

Dear Mr. Jennings:

Thank you for your firm's participation in The Premier Plan, underwritten by a CNA member Company, one of the CNA insurance companies. Your policy is enclosed and is effective as of the date listed above.

Please remember to notify us if you plan to merge, acquire or otherwise materially affect the present composition of your firm (including areas of practice and professional staff) during the policy period. You may be required to submit a new application in advance of the change for underwriting analysis and coverage amendments.

As compensation for providing insurance services on your behalf under the AICPA Professional Liability Insurance Program, Aon Insurance Services, a division of Affinity Insurance Services, Inc., received a total of \$1,879.38 in commission for the most recently completed policy year. Services provided include program marketing, underwriting, policy management, billing, risk management and other client services.

Should you have any questions about your coverage, please don't hesitate to call us toll free at 1-800-221-3023. We look forward to serving your professional liability insurance needs now and in the future.

Sincerely,
Sam Aïdee

Aon Insurance Services
AICPA Program Administrator
PPOLRN

Aon Insurance Services is a division of Affinity Insurance Services, Inc.; in CA, MN & OK, (CA License #0795465) Aon Insurance Services is a division of AIS Affinity Insurance Agency, Inc.; and in NY, AIS Affinity Insurance Agency. ©2007

One or more of the CNA companies provide the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a service mark

DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

PRODUCER	BRANCH	PREFIX	POLICY NUMBER
003613	970	APL	275488834

INSURANCE IS PROVIDED BY
CONTINENTAL CASUALTY COMPANY
CNA PLAZA, CHICAGO, IL 60685
A STOCK INSURANCE COMPANY
REFERRED TO IN THIS POLICY AS WE, US, OR OUR.

1. Named Insured and Mailing Address

RL Jennings & Associates, PC
506 East Third St
Rome, GA 30161

* * * NOTICE * * * *

THIS IS A CLAIMS-MADE AND REPORTED POLICY AND
COVERS ONLY CLAIMS FIRST MADE AGAINST AN INSURED
AND REPORTED IN WRITING TO THE COMPANY DURING
THE POLICY PERIOD. PLEASE READ THIS POLICY
CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR
INSURANCE AGENT.

2. POLICY PERIOD: FROM: 6/01/18 TO: 6/01/19 at 12:01 A.M. Standard time at your address shown above.

3. PRIOR ACTS DATE: 6/01/98 at 12:01 A.M.

4. DEDUCTIBLE: Per Claim Deductible _____ or Aggregate Deductible \$5,000

5. LIMITS OF LIABILITY: (INCLUDES CLAIM EXPENSES UNLESS AMENDED BY ENDORSEMENT)

<u>\$1,000,000</u>	PER CLAIM
<u>\$1,000,000</u>	AGGREGATE

6. FOR NON-RENEWAL : 45 days notice will be given you in accordance with policy conditions.

7. PRINTED ENDORSEMENTS ATTACHED AT POLICY ISSUANCE INCLUDE:

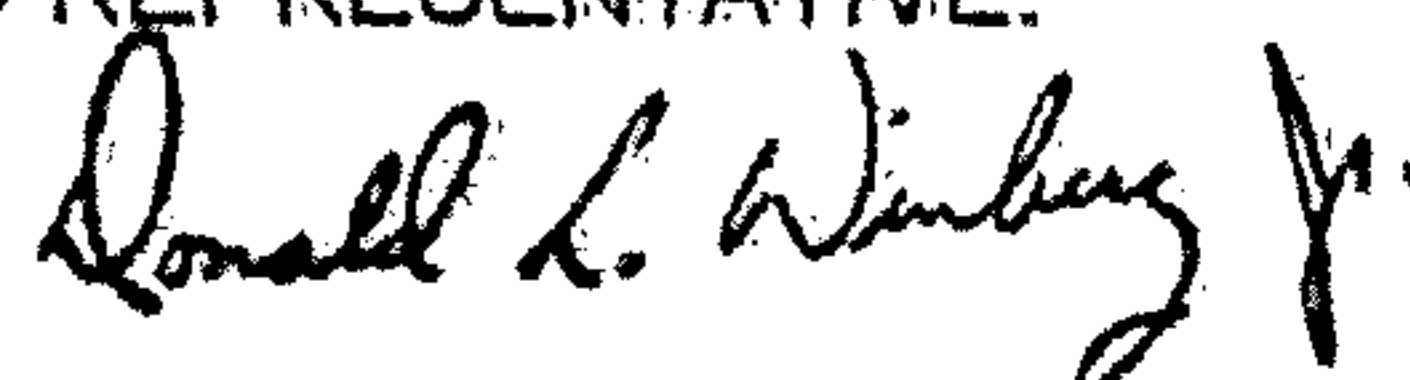
G-127136-A(1/16) Policy	CNA69245XX Named Entity Exclusion
G-127137-A(7/12) Declarations Page	CNA87510XX CPA NetProtect Endorsement
G-127157-A(6/97) Nuclear Energy & Pollution Excl.	CNA87547XXC Sole Owner Death / Disability ECRP
G-127164-A10(7/97) Amend. Termination Provisions - GA	
G-127165-AC10(07/00) Amend. Endorsement - GA	
G-127166-A99(5/00) Waiver of Punitive Damages	
GA-NOTICE(7/00) Georgia Notice	
G-141584-A(6/03) Policyholder Notice	
CNA90673XX-(11/17) Amend Limits of Liability Endorsement	
G-127152-AC(5/06) Claim Expenses Outside Limits	

3. \$8,083.00 ANNUAL PREMIUM

3. WHO TO CONTACT TO REPORT A CLAIM OR POTENTIAL CLAIM:

Director of Claims
Accountants Professional Liability
CNA Insurance Companies
333 South Wabash Street
Chicago, IL 60604
APLNewLoss@CNA.com

THIS POLICY IS NOT VALID UNTIL SIGNED BY OUR AUTHORIZED REPRESENTATIVE.



Authorized Representative

CONTINENTAL CASUALTY COMPANY

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

Amendatory Endorsement
Nuclear Energy and Pollution Exclusion

We agree with you that the following EXCLUSIONS are added to your Policy:

We will not defend or pay under this Policy any claim based upon or arising out of any loss, cost or expense:

1. under any circumstances, due to nuclear reaction, radiation, or contamination, regardless of cause.
2. which would not have happened in whole or in part, but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
3. arising out of any:
 - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - b. **Claim** or suit by or on behalf of a governmental authority for damage because of testing for, monitoring, cleaning up, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

This endorsement is a part of your policy and takes effect on the effective date of your policy, unless another effective date is shown below.

Must Be Completed	
ENDT. NO.	POLICY NO.
001	APL 275488834

Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT
RL Jennings & Associates, PC	6/01/2018

Countersigned by


Authorized Representative

CONTINENTAL CASUALTY COMPANY

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY
AMENDMENT OF TERMINATION PROVISIONS -
GEORGIA

We agree with **you** that any cancellation or non-renewal provisions contained in the Policy to which this endorsement is attached are deleted and replaced by the following:

I. Cancellation

A. This Policy can be canceled by either the **Named Insured** or us.

1. The **Named Insured** may cancel this Policy by mailing or delivering to us advance written notice of cancellation, stating a future date on which the policy is to be canceled subject to the following:

- a. If only the interest of the **Named Insured** is affected, the effective date of cancellation will be either the date we receive notice from the **Named Insured** or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the **Named Insured**, we may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the **Named Insured**.
- b. If by statute, regulation or contract, this Policy may not be canceled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days notice to the **Named Insured** and the third party as soon as practicable after receiving the **Named Insured's** request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1) 10 days from the date of mailing or delivering its notice, or
- (2) the effective date of cancellation stated in the **Named Insured's** notice to us.

B. We can cancel this Policy by giving written notice to the **Named Insured** at least 10 days before the date the cancellation is effective.

C. We will mail or deliver notice to the **Named Insured** at the last mailing address known to us.

D. Notice of cancellation will state the date the cancellation is effective. The Policy will end on that date.

E. If notice is mailed, proof of mailing will be sufficient proof of notice.

F. If this Policy is canceled, we will send the **Named Insured** any premium refund due. If we cancel, the refund will be pro-rata, except that if the cancellation results from the failure of the **Named Insured** to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro-rata. Calculation of the return premium at less than pro-rata represents a penalty charged on unearned premium. If the **Named Insured** cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund. If the **Named Insured** cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.

G. If we decide to:

1. cancel or non-renew this Policy; or
2. increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. change any policy provision which would limit or restrict coverage:

Then:

1. 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium; or
2. 45 days before the effective date of cancellation if this Policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium; or
3. 45 days before the expiration date of this policy, if we decide to non-renew, increase the premium or limit or restrict coverage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

This endorsement is a part of your policy and takes effect on the effective date of your policy, unless another effective date is shown below.

Must Be Completed	
ENDT. NO.	POLICY NO.
002	APL 275488834

Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT
RL Jennings & Associates, PC	6/01/2018

Countersigned by


Authorized Representative



AMENDATORY ENDORSEMENT - GEORGIA

We agree with **you** that the following amendments are made a part of **your** Policy:

Section VI., **POLICY CONDITIONS**, Condition G., Entire Contract, is deleted in its entirety and replaced with the following:

G. Entire contract

This Policy consists of the Declarations, the Policy form, all endorsements attached to the Policy, the completed and signed application and all supplementary information and statements **you** have provided to us.

By acceptance of this Policy **you** agree that all of the information and statements provided to us by **you** are true, accurate and complete. This Policy has been issued in reliance upon the truth and accuracy of those representations.

No concealment, misrepresentation or fraud shall defeat recovery under this Policy, or cause this Policy to be cancelled, unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by us would have led to refusal by us to make this contract or provide coverage for a **claim** hereunder will be deemed material.

Section VI., **POLICY CONDITIONS**, Condition H., Other Insurance is deleted in its entirety and replaced with the following:

H. Other Insurance

If **you** have insurance provided by other companies against a **claim** covered by this Policy, we shall not be liable under this Policy for a greater proportion of such **claim** than the applicable limit of liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectible insurance that applies to such **claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CONTINENTAL CASUALTY COMPANY

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

Amendatory Endorsement
Waiver of Punitive Damages

We agree with **you** that the following amendment is made a part of **your** Policy:

Section I. the definition of **Damages** is deleted in its entirety and replaced with the following:

Damages are monetary judgments, awards and settlements, provided any settlement is negotiated by or with our assistance and approval. **Damages** also include prejudgment or post-judgment interest awarded against **you** on such judgments or awards.

Damages do not include:

- A. civil or criminal fines, penalties, sanctions or forfeitures, imposed on **you** whether pursuant to law, statute regulation or court rule;
- B. the multiplied portion of multiplied awards on **claims** otherwise payable under this Policy;
- C. amounts for which **you** are not financially liable or that are without legal recourse to **you**;
- D. amounts owed by **you** to **your** client by reason of money loaned to or invested with **you** in **your** individual capacity for **your** personal use or investment in **your** own venture.

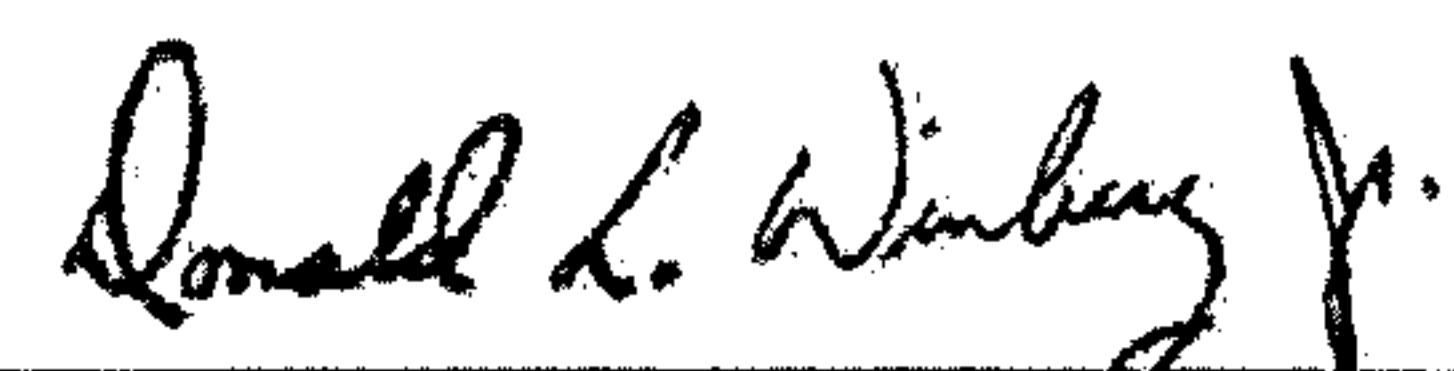
ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

This endorsement is a part of **your** policy and takes effect on the effective date of **your** policy, unless another effective date is shown below.

Must Be Completed	
ENDT. NO.	POLICY NO.
004	APL 275488834

Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT
RL Jennings & Associates, PC	6/01/2018

Countersigned by



Authorized Representative

GEORGIA MANDATORY NOTICE

The laws of the state of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family violence.



POLICYHOLDER NOTICE

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

Our records indicate that you have insurance coverage coming up for renewal with us. The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups), any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Your policy language reads as follows:

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the Policy:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.



**AMEND LIMITS OF LIABILITY ENDORSEMENT
(Risk Management Incentives - Use of Engagement Letters)**

It is understood and agreed that the section entitled **LIMITS OF LIABILITY**, the sub-section entitled Risk Management Incentives, the paragraph entitled Use of Engagement Letters, the phrase "then we will reduce **your** deductible, applying to that **claim**, by 50%, up to a total amount of \$5,000" is amended to delete "\$5,000" and replace it with "\$10,000."

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMENDATORY ENDORSEMENT - CLAIM EXPENSES OUTSIDE THE LIMITS

We agree with **you** that the following amendments are made part of **your** Policy:

1. Item 5, LIMITS OF LIABILITY of the Declarations is amended by deleting the phrase "Includes claims expenses". In addition, Item 5, LIMITS OF LIABILITY is amended to include the following new Limit of Liability.

Claim expenses \$ 1,000,000 per claim
Claim expenses \$ 1,000,000 in the aggregate

2. Section II., COVERAGE AGREEMENTS, paragraph C. is deleted in its entirety and replaced as follows:

C. 1. **Payment of damages**

We are not obligated to investigate, defend, pay or settle a **claim** after the applicable limit of our liability has been exhausted by payment of **damages** or after we have tendered the remaining available limits of liability into a court of competent jurisdiction. In such case, we shall have the right to withdraw from the further investigation, defense or settlement of any **claim** by tendering control of said investigation, defense or settlement to **you**. We will initiate, and cooperate in, the transfer of control to **you** of any **claims** which were reported to us prior to the exhaustion of such limit. **You** must cooperate in the transfer of control of such **claims**. We agree to take the necessary steps, as we deem appropriate, to avoid a default in such **claims** until such transfer has been completed, provided **you** cooperate in completing such transfer. **You** must reimburse us for expenses we incur in taking those steps we deem appropriate to avoid a default.

2. **Payment of claim expenses**

We are not obligated to investigate or defend or continue to investigate or defend a **claim** after the limit of liability applicable to **claims expenses** as set forth in paragraph 4 of this Endorsement is exhausted. In such case we shall have the right to withdraw from the further investigation or defense of such **claim** by tendering control of said investigation, defense or settlement of the **claim** to **you**. However, we reserve the right to designate counsel, at our own expense, to associate with **you** in the continued defense of such **claim**. In such case, **you** shall not enter into any settlement or agreement without our prior written consent.

3. Section III., LIMITS OF LIABILITY paragraphs A and B are deleted in their entirety and replaced as follows:

A. **Damages Limit of Liability - Each Claim**

Subject to B. below, the limit of liability for **damages** for each **claim** shall not exceed the amount stated in the Declarations as "Per Claim".

B. **Damages Limit of Liability - Aggregate**

Subject to A. above, the limit of liability for **damages** for all **claims** shall not exceed the amount stated in the Declarations as "Aggregate".



4. Section III., LIMITS OF LIABILITY, is amended to add the following new paragraphs as follows:

- **Claim Expenses Limit of Liability - Each Claim**

Subject to the Aggregate **Claim Expenses** Limit of Liability below, the limit of liability for **claim expenses** for each **claim** shall not exceed the amount stated in Item 1 of this Endorsement as the "Per Claim" Limit of Liability for **claim expenses**.

- **Claim Expenses Limit of Liability - Aggregate**

Subject to the Each **Claim Claim Expenses** Limit of Liability above, the limit of liability for **claim expenses** for all **claims** shall not exceed the amount stated in Item 1 of this Endorsement as the "Aggregate" Limit of Liability for **claim expenses**.

Claim expenses are not payable under this Policy until all other valid and collectible insurance available to you for **claim expenses** has been exhausted.

All other terms and conditions of the Policy remain unchanged.

This endorsement is a part of **Your** Policy and takes effect on the effective date of **Your** Policy, unless another effective date is shown below.

Must Be Completed	
ENDT. NO. 006	POLICY NO. APL 275488834

Complete Only When This Endorsement Is Not Prepared with the Policy <u>Or</u> Is Not to be Effective with the Policy	
ISSUED TO RL Jennings & Associates, PC	EFFECTIVE DATE OF THIS ENDORSEMENT 6/01/2018

Countersigned by

Authorized Representative

CONTINENTAL CASUALTY COMPANY

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

Amendatory Endorsement
EXCLUSION OF NAMED INDIVIDUALS OR ENTITIES
(INCLUDING SUBSIDIARIES, PREDECESSORS AND SUCCESSORS)

We agree with you that this Policy does not apply to any claim arising out of professional services rendered for, by or on behalf of, or in any way involving the individuals or entities named below, including but not limited to any of their wholly or partially owned entities, predecessors or successors in business.

Third Street Advisors, LLC

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must Be Completed	
ENDT. NO.	POLICY NO.
007	APL 275488834

Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT
RL Jennings & Associates, PC	6/01/2018

Countersigned by Donald L. Winberg Jr.
Authorized Representative



CPA NETPROTECT ENDORSEMENT

In consideration of the additional premium amount **\$639.00**, it is understood and agreed that the Policy is amended as follows:

I. The Declarations are amended to add the following:

CPA NetProtect Coverage Schedule

<u>Claims for Network Damage/Extortion Demands</u>	
Limit applicable to all claims for network damage in the aggregate	\$1,000,000
Sublimit applicable to all extortion demands in the aggregate	\$150,000
Deductible applicable to each claim for network damage	\$5,000
Deductible applicable to each extortion demand	\$5,000
<u>Privacy Event Expenses</u>	
Limit applicable to all privacy event expenses in the aggregate	\$75,000
Deductible applicable to each privacy event	\$0
<u>CPA NetProtect Prior Acts Date:</u> 6/01/2015	

II. The section entitled **COVERAGE AGREEMENTS** is amended as follows:

A. Paragraph A. is amended by the addition of the following:

In accordance with all the terms and conditions of the Policy, we will also pay on **your** behalf all sums in excess of the deductible, up to our limits of liability, that **you** become legally obligated to pay as **damages and claim expenses** because of a **claim for network damage** that is both first made against **you** during the **policy period** by reason of any act or omission by **you** or by any person (including a **rogue employee**) for whose **wrongful acts** **you** are legally liable provided that:

1. the **wrongful act** occurs on or after the **CPA NetProtect prior acts date** and before the end of the **policy period**;
2. such **claim** is reported to us in accordance with the requirements of this Policy;
3. prior to the inception date of the **policy period**, **you** did not have knowledge of any such **wrongful act**;
4. the **wrongful act** or any **interrelated wrongful acts** have not been the subject of any notice given under any prior policy; and,
5. such **claim** is not covered under any other coverage agreement of this Policy or any other coverage issued by us, or any affiliate of such Insurer.



B. The following is added:

- Supplemental Insuring Agreements

Privacy Event Expense

1. In accordance with all the terms and conditions of the Policy, we will pay on **your** behalf any **privacy event expenses**, in excess of the deductible, up to our limits of liability, that directly respond to a **privacy event** first discovered during the **policy period**; provided, however, that all **privacy events** must be reported to us in accordance with the requirements of this Policy and all **privacy event expenses** must be:

- a. incurred within twelve months following the date that **you** reported the **privacy event**; and,
- b. consented to in writing by us (such consent not to be unreasonably withheld).

2. **Extortion Payments**

In accordance with all of the terms and conditions of the Policy, we will reimburse **you** for any **extortion payments** in excess of the deductible, up to our limit of liability, that directly respond to an **extortion demand** first made during the **policy period**; provided, however, that all **extortion demands** must be reported to us in accordance with the requirements of this Policy and all **extortion payments** must be:

- a. incurred within twelve months following the date that **you** reported the **extortion demand**; and,
- b. consented to in writing by us (such consent not to be unreasonably withheld).

II. Solely with respect to the coverage provided by this endorsement, the section entitled **DEFINITIONS** is amended as follows:

A. The definitions of **Claim**, **Damages**, **Interrelated claims** and **You** and **your** are deleted in their entirety and are replaced with the following:

Claim means:

- A. a written demand (other than an **extortion demand**) for monetary damages or non-monetary relief (including demands for injunctive or declaratory relief); or
- B. a civil adjudicatory proceeding or arbitration against **you**, alleging a **wrongful act**.

However, a **claim** does not include any criminal proceeding or investigation or any regulatory proceeding or investigation.

Damages means civil awards, settlements and judgments (including any award of pre-judgment or post-judgment interest) which **you** are legally obligated to pay as a result of a covered **claim**. **Damages** shall not include:

- A. return or restitution of **your** profits, royalties, fees, expenses, taxes or costs;
- B. criminal, civil, administrative or regulatory relief, fines or penalties;



- C. any amounts for which there is no legal recourse against you, including those which you are not legally obligated to pay;
- D. injunctive or declaratory relief;
- E. matters which are uninsurable as a matter of law; or
- F. plaintiff's attorney fees or expenses associated with items A. through E. above.

Interrelated claims are all claims arising out of a single **wrongful act** or arising out of **interrelated wrongful acts**.

You and your means the **Named Insured** and any **predecessor firm** and:

- A. any person who is or becomes a partner, officer, director, associate, or employee of the **Named Insured**;
- B. any person previously affiliated with the **Named Insured** or a **predecessor firm** as a partner officer, director, associate, or employee;
- C. any person or entity that is an independent contractor to the **Named Insured** provided that such person or entity is not:
 - 1. employed by the **Named Insured** or **predecessor firm** or by any entity controlled, owned, managed or operated by the **Named Insured** or **predecessor firm**; or
 - 2. controlled, owned, managed or operated by the **Named Insured** or **predecessor firm** or by any entity that is controlled, owned, managed or operated by the **Named Insured** or **predecessor firm**;

but only while such person is acting in the capacity as such.

- B. The definition of **interrelated acts or omissions** is deleted in its entirety.
- C. The following new definitions are added:

CPA Netprotect prior acts date means the date, if any, set forth as such in the Data Breach and Network Security Coverage Schedule of the Declarations.

Extortion demand means an incident or series of incidents or **related incidents** occurring during the **policy period** where you receive a threat to launch an attack on, to suspend, or to otherwise disrupt a **network**, disrupt or deface your website or release or use **protected information** in your care, unless monies are paid or specified action is taken, and you believe there is an imminent and probable danger of such action. An **extortion demand** does not include any demand seeking monies from you that are allegedly due and owing pursuant to contract or operation of law.

Extortion payment means all reasonable and necessary expenses incurred by you with our prior consent, in order to respond to an **extortion demand**, including payment of monies demanded by an extortionist. **Extortion payments** do not include such expenses to the extent you have recovered such expenses or been reimbursed for them from any other source.

Interrelated wrongful acts means any **wrongful acts** that are logically or causally connected by reason of any common fact, circumstance, situation, transaction, event, advice or decision.

Non-public corporate information means proprietary and confidential information including trade secrets, of a third-party entity.

Privacy event means any event or series of events or **related events** which in your reasonable opinion did cause or is reasonably likely to result in the disclosure or unauthorized use of **protected information** of clients of the firm or the owners, partners, officers and employees of you, in your care or custody.



Privacy event expenses means all reasonable and necessary fees, costs and expenses incurred by you and consented to by us:

- A. to provide voluntary notification to individuals or entities whose **protected information** may have been subject to a **privacy event**;
- B. to directly effect compliance with a **security breach notice law** including notification to individuals or entities who are required to be notified;
- C. to hire a computer forensics firm to investigate the existence and cause of a **privacy event** and to determine the extent such **protected information** has been or may have been disclosed;
- D. to hire an attorney or expert to negotiate with regulators and determine the applicability of and the actions necessary to comply with **security breach notice laws**;
- E. to minimize harm to your reputation from a **privacy event**, including but not limited to the costs to set up a call center or provide a credit monitoring service for those impacted by a **privacy event**;
- F. to remediate any deficiencies that gave rise to the **privacy event**.

Protected information means **non-public corporate information** or **non-public personal information**.

Related events mean all events that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

Related incidents mean all incidents that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

Rogue employee means any of your employees who act outside of their scope of employment.

Security breach notice law means any statute or regulation that requires an entity that maintains **protected information** to provide notice to specified individuals of any actual or potential unauthorized disclosure or potential disclosure of such **protected information**.

Wrongful act means any actual or alleged act, error, omission, neglect or breach of duty that results in any **security breach of your network**. Provided, however, **wrongful act** shall not include any act, error, omission, neglect or breach of duty in the rendering or failure to render **professional services**.

III. Solely with respect to the coverage provided by this endorsement, the section entitled **LIMITS OF LIABILITY**, is amended as follows:

A. Paragraphs A., B. and C. are deleted in their entirety and are replaced with the following

A. All **Claims** Aggregate Limit of Liability

The limit of our liability for **damages** and **claim expenses** for all **claims** for **network damage** shall not exceed the amount stated in the CPA NetProtect Coverage Schedule of the Declarations.

B. All **Extortion Demands** Aggregate Sublimit of Liability

The limit of our liability for **extortion payments** for all **extortion demands** shall not exceed the amount stated in the CPA NetProtect Coverage Schedule of the Declarations. Such amount is a sublimit of liability which is included within, and not in addition to, the limit of our liability for **damages** and **claim expenses** for all **claims** for **network damage** stated in the CPA NetProtect Coverage Schedule of the Declarations.

C. Deductibles



Our obligation to pay **damages and claim expenses** as a result of a **claim** for **network damage**, our obligation to pay **extortion payments** as a result of an **extortion demand** and our obligation to pay **privacy event expenses** as a result of a **privacy event** is in excess of the amount of the applicable deductibles stated in the CPA NetProtect Coverage Schedule of the Declarations. The **Named Insured** agrees to pay all **damages, claim expenses, extortion payments and privacy event expenses** up to the amount of such deductibles. The deductible amounts apply on a per **claim/extortion demand/privacy event** basis. Payment of the deductibles or portions thereof shall be made by the **Named Insured** as **claim expenses/extortion payments/privacy events** are incurred or **damages** are paid.

B. The following new paragraph is added:

- **All Privacy Events Aggregate Limit of Liability**

The limit of our liability for **privacy event expenses** for all **privacy events** shall not exceed the amount set forth in the CPA NetProtect Coverage Schedule of the Declarations.

V. Solely with respect to the coverage provided by this endorsement, the section entitled **EXCLUSIONS** is amended as follows:

A. Exclusion A. is deleted in its entirety and is replaced with the following:

- A. any **claim** based upon or arising out of any actual or alleged **bodily injury** (including death), sickness, disease, emotional distress, mental anguish, of any person, or property damage;

B. The following new exclusions are added:

This Policy does not apply to:

- any **claim** by or on behalf of any of **you** provided, however that this exclusion does not apply to:
 1. any **claim** that is in the form of a crossclaim, third-party claim or otherwise for contribution or indemnity which is part of and results directly from a **claim** which is not otherwise excluded under this Policy;
 2. any **claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, liquidator, receiver or rehabilitator for **you** or any assignee of such trustee, examiner, liquidator, receiver or rehabilitator;
- any **claim** based upon or arising out of any actual or alleged discrimination, humiliation, harassment or misconduct that relate to an individual's race, creed, color, age, sex, national origin, religion, handicap, marital status or sexual preference;
- any **claim** as a direct result of any action or order by any domestic or foreign law enforcement, administrative, regulatory or judicial body or other governmental authority;
- any **claim** based upon or arising out of any failure of:
 1. electrical infrastructure;
 2. telecommunications infrastructure; or
 3. any satellite,which is not under **your** operational control;
- any **claim** based upon or arising out of price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the total contracted or expected amount;



- any **claim** made against **you** by any entity, if at the time of the **wrongful act** giving rise to such **claim**:

1. **you** controlled, owned, operated or managed such entity;
2. **you** were an owner, partner, director, officer or employee of such entity;

For the purpose of this exclusion, a 15% or more owner of the equity interest of any such entity shall be deemed to be an owner of such entity.

- any **claim** based upon or arising out of actual or alleged infringement of patent;
- any **claim** based upon or arising out of any actual or alleged:
 1. unfair competition, dilution, deceptive trade practices, civil actions for consumer fraud or false or deceptive advertising or misrepresentation in advertising;
 2. charges of price fixing, monopolization or restraint of trade;
 3. violation of:
 - a. the Federal Trade Commission Act;
 - b. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - c. the Racketeer Influenced and Corrupt Organizations Act;
 - d. any rules or regulations promulgated under or in connection with the above statutes, or any similar provision of any federal, state, foreign or other law (including common law) or statute,

- IV. Solely with respect to the coverage provided by this endorsement, the section entitled **POLICY CONDITIONS** is amended by the deletion of the paragraphs entitled Duties in the event of a **claim** and Duties in the event of a potential **claim** which are replaced with the following:

Notice of **Claim**, **Privacy Event** or **Extortion Demand**

As a condition precedent to our obligations, **you** shall give written notice of any **claim**, **privacy event** or **extortion demand** to us as soon as reasonably practicable after **you** learn of such **claim**, **privacy event** or **extortion demand** but in no event later than ten (10) days after termination or expiration of the **policy period** or **extended claim reporting period**, if applicable.

Notice of Circumstances

If during the **policy period**, **you** first become aware of any facts or circumstances which may reasonably be expected to give rise to a **claim** and during such **policy period** give written notice to us of:

1. the allegations anticipated as the basis of the potential **claim** and the names of any potential claimants;
2. the identity of any of **you** allegedly responsible for such specific facts and circumstances;
3. the consequences which have resulted or may result from such specific facts and circumstances;
4. the amount of the potential monetary damages or the nature of non-monetary relief which may be sought in consequence of such specific facts and circumstances; and
5. the circumstances by which **you** first became aware of such specific facts and circumstances,

then any such covered **Claim** which is subsequently made and which arises out of such facts and circumstances shall be deemed to have been first made against **you** and reported to us by **you** at the time such written notice was received by us.



All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.



**AMENDATORY ENDORSEMENT
SOLE OWNER DEATH AND DISABILITY EXTENDED CLAIM REPORTING PERIOD
(FOR USE ALONG WITH THE CPA NETPROTECT ENDORSEMENT/CPA NETPROTECT PRIME
ENDORSEMENT)**

It is understood and agreed that the Policy is amended as follows:

- I. The section entitled **EXTENDED CLAIM REPORTING PERIOD** is amended by the addition of the following:

Death or disability extended claim reporting period

1. If you die or become **totally and permanently disabled** during the **policy period**, then upon the latter of the expiration of: the **policy period**; any renewal or successive renewal of this Policy; or any automatic or optional **extended claim reporting period**, you shall be provided with a death or disability **extended claim reporting period** as provided below:
 - a. In the event of death, **your** estate, heirs, executors or administrators must, within sixty (60) days of the expiration of the **policy period**, provide us with written proof of the death. This **extended claim reporting period** is provided to **your** estate, heirs, executors and administrators until the executor or administrator of the estate of **your** estate is discharged.
 - b. If **you** become **totally and permanently disabled**, **you** or **your** legal guardian must, within sixty (60) days of the expiration of the **policy period**, provide us with written proof that **you** are **totally and permanently disabled**, including the date the disability commenced, certified by **your** physician. We retain the right to contest the certification made by **your** physician, and it is a condition precedent to this coverage that **you** agree to submit to medical examinations by any physician designated by us. This **extended claim reporting period** is provided until **you** shall no longer be **totally or permanently disabled** or until **your** death, in which case subparagraph a. hereof shall apply.
2. No additional premium will be charged for any death or disability **extended claim reporting period**.
3. Separate death or disability **extended claim reporting period** limits of liability.

For all **claims** other than **claims** for network damage covered under the **CPA NETPROTECT ENDORSEMENT** or **CPA NETPROTECT PRIME ENDORSEMENT** of this Policy, our limit of liability for all claims first made against you and reported to us during any death or disability **extended claim reporting period** shall be reinstated to the limits of liability applicable to this Policy as set forth in the Declarations and Section III., Limits of Liability. Solely with respect to claims for network damage covered under the **CPA NETPROTECT ENDORSEMENT** or **CPA NETPROTECT PRIME ENDORSEMENT**, our limit of liability for all such claims for network damage first made against you and reported to us during any death or disability extended claim reporting period shall be reinstated to the limits of liability as set forth in the **CPA NetProtect Coverage Schedule** of such Endorsement.

- II. Solely with respect to the coverage provided by this Endorsement, the Section entitled **DEFINITIONS** is amended as follows:

- A. The definition of **You** and **Your** is deleted in its entirety and replaced with the following:

You and **Your** means an individual who is the sole owner of the **Named Insured** where such sole owner is an officer, director or employee who renders **professional services** on behalf of the **Named Insured**.

- B. The following new definition is added:



"Totally and permanently disabled" means that **you** are so disabled as to be wholly prevented from rendering of **professional services** provided that such disability:

- A. did not preexist the inception date of this Policy;
- B. has existed continuously for not less than six (6) months; and
- C. is reasonably expected to be continuous and permanent.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



Claim Report Accountants Professional Liability

Complete and Mail or Fax to:

CNA
Accountants Professional Liability
333 S. Wabash Avenue
Floor 39
Chicago, IL 60604
Fax: (866) 419-6276

Type of Report: ☐ Potential Claim Report ☐ Claim (Demand for Money/Damages) ☐ Lawsuit

Policyholder's Name

Named Insured as it appears on Declarations Page of the Policy

Policyholder's Address

Policyholder's Location (if different from above address)

Street Address

City

State

Zip

Policy Number

Date You Received the Lawsuit or Demand

Contact Person at Firm Regarding Claim

Name

Telephone Number (including Area Code)

Claimant's Name

Claimant's Address

Street Address

City

State

Zip

Date(s) of Client Service:

Area of Practice You Were Providing:

Brief Description of the Claim

When reporting a Claim or Lawsuit, we often require further documentation from our insured during the investigation. You may wish to provide or prepare the following materials:

- Copy of Summons and Complaint or Claim Letter
- Copy of Engagement Letter utilized
- Copy of entire file (if in litigation)
- Narrative summary explanation of client relationship, services provided, allegations made
(Marked "Confidential" "Prepared in Anticipation of Litigation")

Note: This information is not necessary when reporting a potential claim.

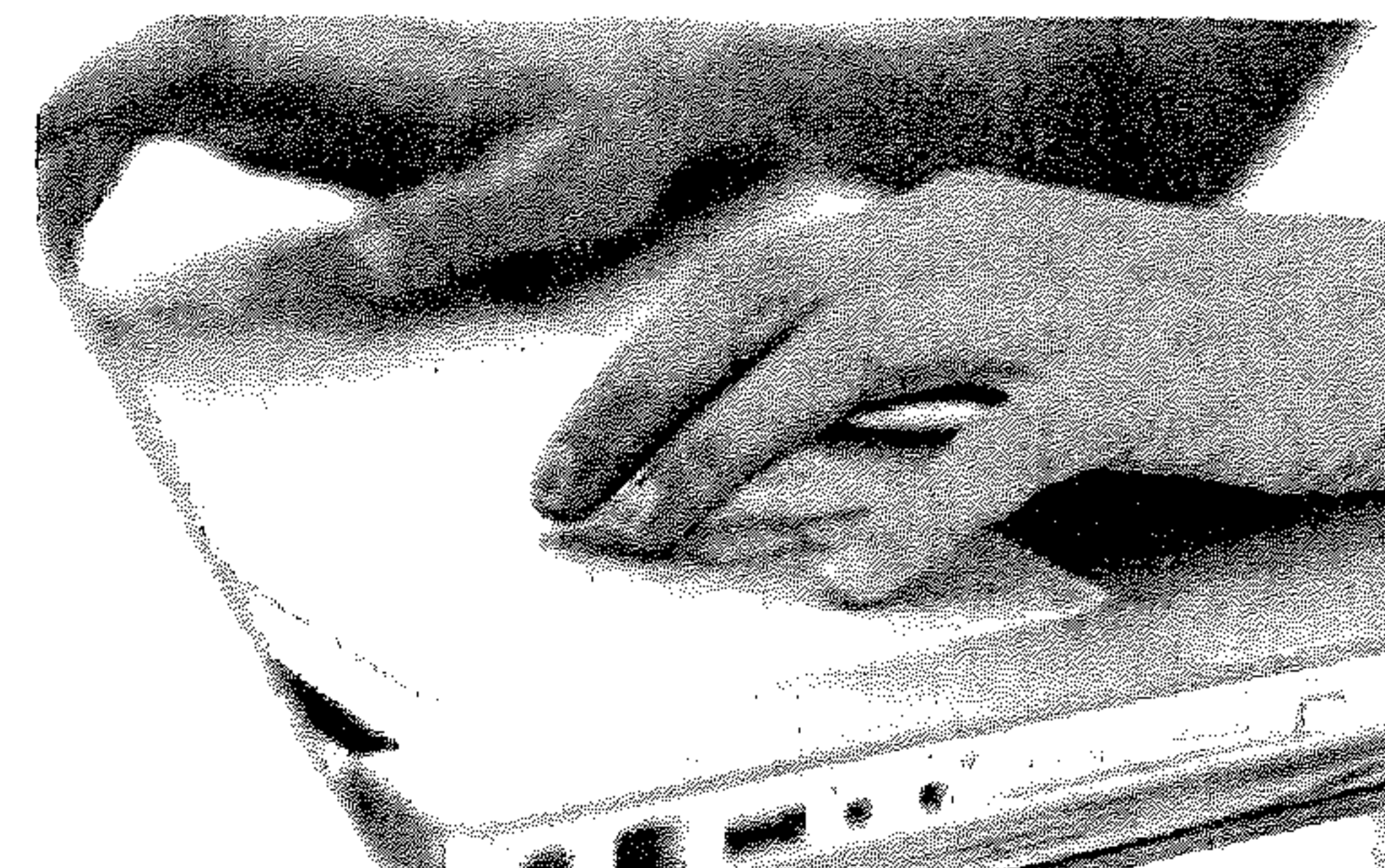
Signature

Title

Date



Professional Liability Insurance Program



Technology Privacy and Security Self Assessment: Primer and Recommended Minimum Practice (RMP)

1. Does your company have a **virus** protection program and a **firewall** in place?

RMP: Implement virus controls and filtering on all systems. Minimum controls include:

- Installing **antivirus software** on all systems.
- Implementing a process to keep antivirus programs up to date, utilizing automatic update of virus signatures if possible.
- Filtering e-mail attachments and downloads to reject files with the following extensions: .exe, .vbs, .bat, .pif, .scr.
- Disabling unneeded services and ports including: file transfer protocol (FTP) services and telnets (network protocols).
- Training employees not to open e-mail attachments unless they are expected and from a known and trusted source.
- Executing antivirus scans on all e-mail attachments, files and downloads before the file is opened.
- Running a commercially available product specifically designed to function as **antispware software**. At a minimum, run a monthly full scan of all computers on your network.
- Disabling any non-essential network file sharing capabilities. If file sharing is necessary, create a dedicated directory for file sharing, password protect these shared files, and restrict use to "read only" if possible.

2. Does your company check for security software updates in a timely manner?

RMP: Subscribe to vendor **patch** notification services for all software and systems utilized, review and evaluate at least weekly, preferably daily. Where possible, enable automatic update capabilities. Test and install critical security **patches** and upgrades within 24 hours of availability, and all other **patches** within 30 days.

3. Does your company replace factory default settings to ensure that your information security systems are securely configured?

RMP: Implement policies regarding the configuration of all network security devices and systems.

- Avoid default configurations, and implement specific procedures for the management of strong administrative passwords for these devices and systems.
- Update policies as new **vulnerabilities** arise or network configurations change.

- Default policy for a **firewall** handling inbound traffic should be to block all **packets** and connections unless the traffic type and connections are specifically permitted.

4. Does your company control access to information that resides on company servers and computers?

RMP: In regard to confidential or sensitive information accessible within your company:

- Define access controls based on "need to know" or "least privilege", which refers to granting only the access required by users to perform their duties.
- Centrally administer access controls to limit access to confidential or sensitive information.
- Establish separation of duties to prevent individuals from subverting access controls.
- Implement written procedures to change user access privileges immediately upon changes in employee position or authority.
- Implement written procedures to terminate user access privileges when employment is terminated. If employment is being terminated for cause, revoke privileges concurrent with notifying the employee of termination.

5. Does your company have a policy on the creation and use of passwords?

RMP: Maintain an easily understandable written policy on creating and using passwords, and update the policy yearly to reflect current guidance.

6. Does your company use **authentication** and **encryption** to protect remote access to your network?

RMP: Authenticate and encrypt all remote access to your network, requiring user identification and strong passwords. While a **Virtual Private Network (VPN)** is the most common method to provide this protection, its use may not provide sufficient security when using offsite computers, networks or public Wi-Fi hotspots.

As part of your security policy, allow remote access only from other networks that meet your organization's security requirements.

7. Does your company monitor user accounts to identify and eliminate inactive accounts?

RMP: Maintain a written standard on required timeframes to eliminate inactive user accounts, and utilize software that automatically identifies and disables such accounts in accordance with the standard.

8. Does your company have the ability to monitor and control downloading of data to external storage devices such as flash drives, personal and tablet computers, and smart phones?

RMP: Maintain a written policy regarding storage of company data on portable devices, and utilize technical methods to prevent data leakage such as disabling or monitoring usage of USB ports, content filtering, and use of network monitoring software. All downloadable data should be encrypted.

Glossary

Antispyware Software

A program that specializes in detecting both **malware** and non-malware forms of **spyware**.

Antivirus Software

A program that monitors a computer or network to identify all major types of **malware** and prevent or contain **malware** incidents.

Authentication

Verifying the identity of a user, process, or device, often as a prerequisite to allowing access to resources in an information system.

Ciphertext

Data in its encrypted form.

Encryption

The process of changing **plaintext** into **ciphertext** for the purpose of security or privacy.

Firewall

A gateway that limits access between networks in accordance with local security policy.

Malware

A program that is inserted into a system, usually covertly, with the intent of compromising the confidentiality, integrity, or availability of the victim's data, applications, or operating system or of otherwise annoying or disrupting the victim.

Packet

A short fixed-length section of data that is transmitted as a unit in an electronic communications network.

Patch

An update to an operating system, application, or other software issued specifically to correct particular problems with the software.

Plaintext

Unencrypted information.

Spyware

Software that is secretly or surreptitiously installed into an information system to gather information on individuals or organizations without their knowledge; a type of malicious code.

Virtual Private Network (VPN)

A virtual network, built on top of existing physical networks, that provides a secure communications tunnel for data and other information transmitted between networks.

Virus

A self-replicating program that runs and spreads by modifying other programs or files.

Vulnerability

Weakness in an information system, system security procedures, internal controls, or implementation that could be exploited or triggered by a threat source.

Glossary Sources

Glossary of Key Information Security Terms, National Institute of Standards and Technology, February 2011. Merriam-Webster Dictionary, April 2013

Resource List

AICPA PrivacyDataProtection web site

[www.aicpa.org/INTERESTAREAS/](http://www.aicpa.org/INTERESTAREAS/INFORMATIONTECHNOLOGY/RESOURCES/PRIVACY/Pages/default.aspx)

[INFORMATIONTECHNOLOGY/RESOURCES/PRIVACY/Pages/default.aspx](http://www.aicpa.org/INTERESTAREAS/INFORMATIONTECHNOLOGY/RESOURCES/PRIVACY/Pages/default.aspx)

Alexa Huth, Michael Orlando and Linda Pesante, *Password Security, Protection and Management*, 2012, Department of Homeland Security United States Computer Emergency Readiness Team (US-CERT) www.us-cert.gov

General and updated information on information technology security is maintained by US-CERT at www.us-cert.gov

Endorsed by:



Underwritten by:



Nationally Administered by:



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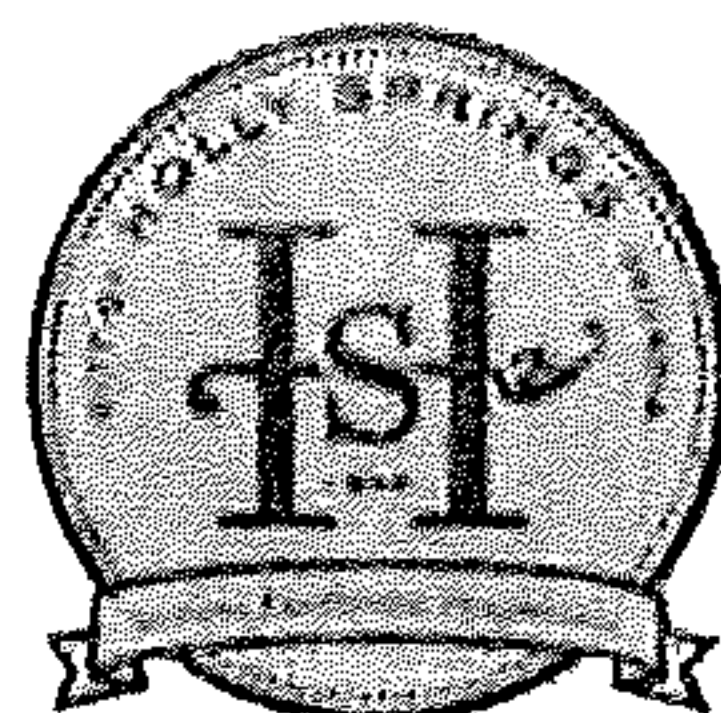
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9. CLIENT LIST

Completed Audits in the last five years:

- Fannin County, GA
- City of Ellijay, GA
- City of Fairmount, GA
- City of Holly Springs, GA
- City of Mountain Park, GA
- City of Young Harris, GA
- City of Ducktown, TN
- Northwest Georgia Regional Commission, Rome, GA
- Fannin County Water Authority, Blue Ridge, GA
- Walker County Rural Water and Sewer Authority, Lafayette, GA



City of Holly Springs

SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENTS (SAVE)

Affidavit of Compliance with O.C.G.A. 50-36-1 "Verification of Lawful Presence within the United States."

O.C.G.A. 50-36-1 requires that applicants applying for such things as licenses for public benefits complete a signed and sworn affidavit verifying the applicant's lawful presence in the United States. Therefore, the applicant must answer the following questions:

The applicant is a U. S. citizen or legal permanent resident at least eighteen (18) years old.

X YES NO or IF NOT:

The applicant is a qualified alien or nonimmigrant under the federal Immigration and Nationality Act, Title 8 U.S.C., as amended, at least eighteen (18) years old, and is lawfully present in the United States. *A photo static copy of the applicant's alien card issued by the Department of Homeland Security or other federal immigration agency must be included with this document.**

O.C.G.A. 50-36-1 states that "Any person who knowingly and willfully makes a false, fictitious, or fraudulent statement of representation in an affidavit executed pursuant to this Code section shall be guilty of a violation of Code Section 16-10-20."

I declare, under penalty of law, that this affidavit has been completed by me and is true and correct.

Signature _____

Date _____

President _____

Title _____

RL Jennings & Associates, PC

Legal Company Name

506 East Third Street Rome, GA 30161

Company Address

(Must be signed by applicant. If the applicant is a corporation, must be signed by an officer of the corporation. A STAMPED SIGNATURE IS NOT ACCEPTABLE.)

I hereby certify that R Lee Jennings is personally known, or verified by me, that the applicant signed this application after stating to me his or her personal knowledge and understanding of all statements and, under oath actually administered by me, has sworn that the statements and answers contained in this affidavit are true.

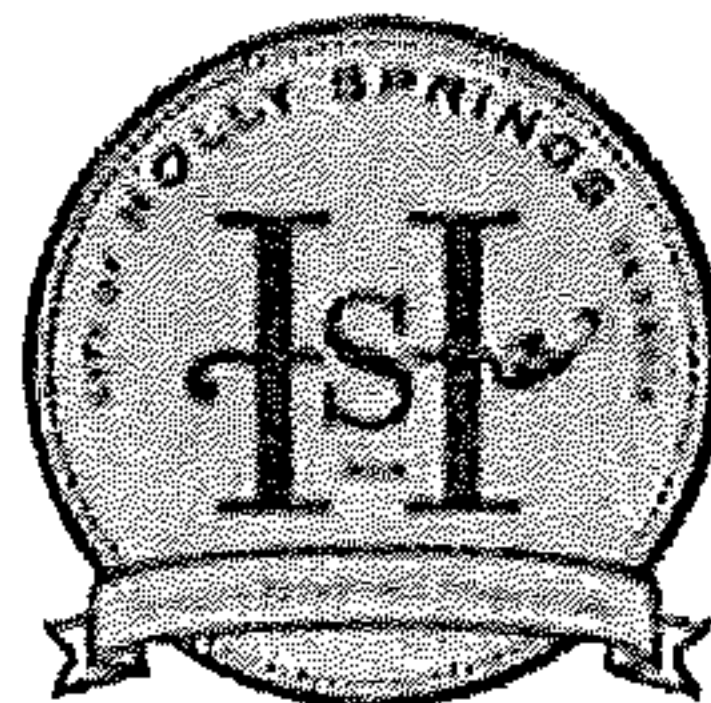
SUBSCRIBED AND SWORN BEFORE ME ON THIS

2 DAY OF January, 2019

Notary Public



*All applicants must attach a copy of a secure and verifiable document as defined in O.C.G.A. 50-36-2.



City of Holly Springs

CONTRACTOR AFFIDAVIT AND AGREEMENT

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. §§13-10-91(b)(1) (b)(1), stating affirmatively that the individual, firm, or corporation which is contracting with the City of Holly Springs has registered with and is participating in a federal work authorization program* [any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA) P.L. 99-603), in accordance with the applicability provisions and deadlines established in O.C.G.A. §13-10-91(b)(1).

The undersigned further agrees that, should it employ or contract with any subcontractor(s) in connection with the physical performance of services pursuant to this contract the City of Holly Springs, contractor will secure from such contractor(s) similar verification of compliance with O.C.G.A. §13-10-91(b)(1) on the Subcontractor Affidavit provided in Rule 300-10-01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide a copy of each such verification to the City of Holly Springs at the time the subcontractor(s) is retained to provide the service.

597302
E-Verify * User Identification Number

7/1/2009
Date Registered

RL Jennings & Associates, PC
Legal Company Name

506 East Third Street Rome GA 30161
Company Address

[Signature]
BY: Authorized Officer or Agent
(Contractor Signature)

1/2/2014
Date

President
Title of Authorized Officer or Agent of Contractor

R Lee Jennings
Printed Name of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME ON THIS
2 DAY OF January, 2014

[Signature]
Notary Public
My Commission Expires:

3-6-21



*As of the effective date of O.C.G.A. §13-10-91(b)(1), the applicable federal work authorization program is the "EEV/Basic Rule 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).

AJK

AJK, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816
(706) 846-8401 □ Fax (706) 846-3370

Report on the Firm's System of Quality Control

To the owners of RL Jennings & Associates, PC and the Georgia Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of RL Jennings & Associates, PC (the firm) in effect for the year ended June 30, 2017. 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 in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements under Government Auditing Standards, including a compliance audit under the Single Audit Act; and an audit of an employee benefit plan.

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

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. The firm's quality control policies and procedures addressing engagement performance are not complied with on a routine basis. The firm's quality control policies and procedures require the use of current industry specific audit programs and practice aids. During our review there were instances where the firm did not properly utilize a current program or practice aid. As a result, we noted the following:
 - a. On an audit engagement performed under *Government Auditing Standards*, the firm did not document the required communications to those in governance, utilize the required program to address consideration of related parties and subsequent events, properly complete the practice aid to document the understanding and testing of internal controls and compliance testing for direct and material single audit compliance requirements, and did not utilize the current program that addressed GASB 68 testing. In our opinion, these matters contributed to an audit engagement that did not conform to professional standards in all material respects.
 - b. On an audit subject to ERISA requirements, we noted that documentation required by the standards and included in the audit program were not properly documented as performed. These issues included income allocation testing, fair value measurements of investments, and benefit payment testing. In some instances, the workpapers referred to "supporting documents" that were not included in the audit file. In our opinion, these matters contributed to an audit engagement that did not conform to professional standards in all material respects.
2. The firm's quality control policies and procedures regarding monitoring do not provide it with the desired level of assurance that the policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively. During our review we noted that the inspections performed by the firm did not always include engagements from specialized and higher risk industries such as governmental and employee benefit plans. In our opinion, had the firm's monitoring procedures been adequately designed and performed, the deficiency described above would have been detected and corrected timely.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of RL Jennings & Associates, PC in effect for the year ended June 30, 2017, 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*. RL Jennings & Associates, PC has received a peer review rating of *pass with deficiencies*.

AJK, LLC
AJK, LLC

Manchester, Georgia

May 23, 2018

AJK

CITY OF HOLLY SPRINGS

LUMP SUM SERVICE FEE PROPOSAL

	2018	2019	2020	2021	2022	2023
Audit Fee Schedule:						
Financial Audit, including CAFR preparation	\$ 28,000	\$ 28,000	\$ 28,000	\$ 29,000	\$ 29,000	\$ 29,000
Single Audit, if required	4,000	4,000	4,000	4,000	4,000	4000
Reimbursable expenses (included)						
	\$ 32,000	32,000	32,000	\$ 33,000	\$ 33,000	\$ 33,000

Additional Services Fee Schedule:

Hourly Rates:

Partner

150

Senior Manager

100

Manager

96

Administrative

50

Other, please specify