

MAYOR:
John Labriola

TOWN ADMINISTRATOR:
Stephanie Monroe Tillerson

TOWN ATTORNEY:
Joseph Wilson



TOWN COUNCIL MEMBERS:
John Moffitt
Bradley D. Belt
Michael Heidingsfelder
Russell A. Berner

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

February 26, 2023; 3:00 pm

AGENDA

- I. Call to Order:**
- II. Pledge of Allegiance**
- III. Roll Call:**
- IV. Approval of Minutes:**
 - A. Ways and Means Committee Meeting of January 23, 2023** [Tab 1]
- V. Citizens' Comments: (Agenda Items only)**
- VI. Old Business:**

None
- VII. New Business:**
 - A. Review and Recommendation to the Town Council for Approval of the Proposal from Mauldin and Jenkins for Audit Services** [Tab 2]
 - B. Review and Recommendation to the Town Council for Approval of \$75,000 to the Kiawah Island Natural Habitat Conservancy Towards the Purchase of Properties Located at 4434 (TMI 2040000005) & 4438 (TMI 2040000328) Betsy Kerrison Parkway** [Tab 3]
- VIII. Chairman's Report:**
- IX. Treasurer's Report:**
 - A. Budget Report for the First the Six Months Ended 12/31/2022** [Tab 4]
 - B. Fiscal Year 2023-2024 Budget Discussion - Revenues** [Tab 5]
- X. Citizen Comments:**
- XI. Committee Member's Comments:**
- XII. Adjournment:**



Tab | 1

WAYS AND MEANS

Agenda Item

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

January 23, 2023, 3:00 pm

Minutes

I. **Call to Order:** *Chairman Moffitt called the meeting to order at 3:00 pm.*

II. **Pledge of Allegiance**

III. **Roll Call:**

Present at Meeting: John Moffitt, *Chairman*
John D. Labriola, *Mayor*
Brad Belt, *Committee Member*

Absent: Russell Berner, *Committee Member*
Michael Heidingsfelder, *Committee Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Finance Director*
Craig Harris, *Public Safety Director*
Rob Edgerton, *Barrier Island Ocean Rescue*
Michael Sosnowski, *Barrier Island Ocean Rescue*

IV. **Approval of Minutes:**

A. Ways and Means Committee Meeting of November 1, 2022

Mayor Labriola made a motion to approve the minutes of the November 1, 2022, Ways and Means Committee meeting. Committee Member Belt seconded the motion, and it was approved by a majority vote. Committee Member abstained.

V. **Citizens' Comments: (Agenda Items only)**

None

VI. **Old Business:**

None

VII. **New Business:**

A. Review and Recommendation to Town Council for Approval of the Off-Duty Deputy Contract with the Charleston County Sheriff's Office

Mayor Labriola made a motion to recommend to Town Council the approval of the Off-Duty Deputy Contract with the Charleston County Sheriff's Office. Committee Member Belt seconded the motion.

Ms. Tillerson asked that two corrections be made to the Off-Duty Deputy Contract:

Under the first bullet point –

1. Change the pay rate from \$30.00 per hour to \$40.00 per hour,
1. Change the overtime pay rate from \$55.00 to \$68.00 per hour.

Chairman Moffitt clarified that the \$535,000 budgeted for the deputies is based on staffing 70% of the hours available on the second and third shifts. He stated that historically the shifts had been staffed at 60% and noted that less than half, \$212,000, was spent in the first half of the fiscal year.

Chairman Moffitt indicated that additional language was added to paragraph three (3) to provide Mr. Harris with a better method of communication with the sheriff's office on the work performed by the off-duty deputies on the island.

Mayor Labriola indicated that KICA (Kiawah Island Community Association) had also engaged off-duty deputies and asked for clarification. Mr. Harris explained the process of engaging off-duty deputies. Also clarified that the off-duty deputies contracted by KICA were monitoring traffic violations on and around Flyway Drive, not as patrol deputies.

Committee Members engaged in an in-depth discussion of the two separate contracts, if there is an overlap of deputies working both contracts at the same time, the addition of language requiring that off-duty deputies assigned to work on Kiawah work exclusively for Kiawah, engagement of deputies for special events, the ability for the Town to define the roles or responsibilities of off-duty deputies, the current relationship with the sheriff's office, and the rate of pay and benefits provided to the off-duty and permanent deputies.

Following the discussion, Ms. Tillerson stated that she would work with the Town Attorney to add language, providing that assigned off-duty deputies work exclusively for Kiawah.

Committee Member Belt made a motion to amend the primary motion to add an exclusivity provision to the existing contract with the Charleston County Sheriff's Office. Mayor Labriola seconded the motion, and it was unanimously approved.

B. Review and Recommendation to Town Council for Approval of the Code Enforcement Proposal from Barrier Island Ocean Rescue

Mr. Harris stated that in 2019 after amending the Short-Term Rental Ordinance, the Town approved additional code enforcement services and entered into a one-year contract with the option of two (2) one-year extensions for after-hours services with Barrier Island Ocean Rescue (BIOR). BIOR would provide Beach Patrol and Code Enforcement services under separate contracts.

In 2022, it was mutually agreed to extend the after-hours code enforcement contract for one additional year to allow Mr. Harris the opportunity to evaluate the services provided. During that year, Mr. Harris noted that the after-hours code enforcement officers were the only ones enforcing Town Ordinances between 5:00 pm and 1:00 am. In addition, Mr. Harris reviewed the statics for the types of calls received during those hours, noting that short-term rental violations have been reduced by 55% during the three-year period.

Mr. Harris stated that the code enforcement services were vital to the daily operation of the Town and requested that the Ways and Means Committee recommend to Town Council the approval of Option 1 of the BIOR proposal, a one-year contract with the option of two (2) one-year extensions for \$389,376.00, with no changes to the current contract scope or schedule.

Committee Member made a motion to recommend to Town Council to approve Option 1 of the Barrier Island Ocean Rescue proposal for after-hours code enforcement services. Mayor Labriola seconded the motion.

Mr. Edgerton and Mr. Sosnowski responded to Committee Member Belt's questions regarding the qualifications of BIOR to provide code enforcement services and how they presented themselves to the public as code enforcement officers.

Mayor Labriola questioned the increase in the amount of the contract. Ms. Tillerson reviewed the history of the contract, noting that the short-term rental license application fee funded after-hours code enforcement and the short-term rental compliance clerk. While costs have increased, there has not been an increase in the contract since its inception.

Committee Members engaged in an in-depth discussion of what factors accounted for the \$100,000.00 increase, options available to fund the after-hours code enforcement contract, and BIOR providing a better understanding of the increase. Mr. Edgerton and Mr. Sosnowski reviewed some of the increased costs and agreed to provide a breakdown of the increases to the Town Council.

Mayor Labriola made a motion to recommend Town Council approve the proposal, understanding that specifics on the \$100,000.00 increase would be provided. Committee Member Belt seconded the motion.

Further discussion included taking into consideration the contractual relationship with BIOR, residents knowing there is an option to contact code enforcement officers rather the KICA security when there is an issue, Town communications to include information on the code enforcement hotline, positioning of the after-hours code enforcement officers, and if violations are written or if there is public interaction when encountering a violation.

Following the discussion, the motion was unanimously approved.

VIII. Chairman's Report:

Chairman Moffitt stated that the Ways and Means Committee was where the process of spending money began and that he wanted to establish the process so that before a decision is made on a recommendation to spend money, there is a thorough understanding of what is being voted on.

IX. Treasurer's Report:

Ms. Szubert stated that the Audit Committee would be meeting to review the proposals received in response to the RFP (Request for Proposal) for Audit Services, and a recommendation would be presented at the next meeting.

X. Citizen Comments:

None

I. Committee Member's Comments:

Committee Member Belt stated that he had begun spending time on the budget better to understand trend lines on revenues and expense items. He noted a 50% increase in salaries in the past two years and wanted to understand better what drove that increase. After reviewing revenues, he questioned if there had ever been any auditing of business licenses. Ms. Szubert stated that she would be making a presentation at the Town Council Retreat, and the items he raised would be discussed at that time.

II. Adjournment:

Mayor Labriola made a motion to adjourn the meeting at 4:06 pm. Committee Member Belt seconded the motion, and it was unanimously approved.

Submitted by,

Petra S. Reynolds, Town Clerk

Approved by,

John Moffitt, Chairman

Date

DRAFT



Tab | 2

WAYS AND MEANS

Agenda Item



Request for Ways and Means Committee Action

TO: Chair and Members of Ways and Means Committee

FROM: Dorota Szubert, Finance Director

SUBJECT: Auditing Services

DATE: 2/27/2023

BACKGROUND AND ANALYSIS:

In March 2019, the Town Council engaged Mauldin & Jenkin, LLC to provide auditing services for the Town. The four-year engagement ended with FY2022 audit. A new RFP for FY2023 audit with the option for annual renewal for next three years was sent out and advertised in January 2023. The Town received two bids from CPA firms: Mauldin & Jenkins, LLC and Greene, Finney, Cauley, LLP, which were reviewed and thoroughly vetted by the Audit Committee. To evaluate submitted proposals, the Committee members looked at the depth of the firm's governmental auditing experience, qualifications and experience of the proposed audit team assigned to the Town, firm size and organizational culture and the cost of service.

ACTION REQUESTED:

To accept the Audit Committee recommendation to engage Mauldin and Jenkins, LLC to provide auditing services to the Town for the fiscal year ending June 30, 2023, with the option to renew for the three subsequent years through June 30, 2026; and consider recommendation to the Town Council for approval.

BUDGET & FINANCIAL DATA:

The proposed cost is not to exceed:

FY2023-\$34,700

FY2024-\$36,300

FY2025-\$37,900

FY2026-\$39,600



**PROPOSAL TO PROVIDE FINANCIAL
AUDIT SERVICES**

Prepared by:

GREENE FINNEY CAULEY, LLP
Certified Public Accountants & Advisors

211 East Butler Road, Suite C-6
Mauldin, SC 29662
864.232.5204

and

39 Farmfield Avenue
Charleston, SC 29407
843.735.5805

Contact:

Emily Sobczak
emily@gfhllp.com

December 16, 2022



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

TABLE OF CONTENTS

Letter of Transmittal	1
Greene Finney Cauley Profile	3
Summary of Qualifications	7
References	14
Audit Approach	15
Fee Schedule	21
Appendix	
Summary Sheet (Attachment B)	22
External Peer Review Report	23
Resume of Emily Sobczak	24
Resume of Tyler Uldrick	25
Resume of Jay Ashworth	26
Resume of Nick Paschall	27
Resume of Lydia Simpson	28



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

TRANSMITTAL LETTER

December 16th, 2022

The Town of Kiawah Island
Attn: Dorota Szubert, Finance Director
4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455

Dear Ms. Szubert,

Thank you for allowing Greene Finney Cauley, LLP (“GFC”) the opportunity to submit a proposal to provide audit services to the Town of Kiawah Island (“the Town”) for the year ended June 30, 2023 with options for annual renewals in 2024, 2025, 2026.

We have read the RFP and understand the timeline, deadlines, and requirements set forth. We understand the Town requires an audit in accordance with auditing standards generally accepted in the USA and with government auditing standards issued by the Comptroller General of the USA. The Single Audit will be performed in accordance with the above standards and the Uniform Grant Guidance. We are willing, able, and technically competent to perform all necessary services within the required timetables.

The signer of this letter has the authority to bind GFC to the terms and conditions of the RFP. The persons authorized to make representations for Greene Finney Cauley, LLP are Larry Finney, David Phillips, Ken Meadows, Emily Sobczak, Chris Cauley, and Denise Eidson.

Upstate Office
211 East Butler Road,
Suite C-6
Mauldin, SC 29662
Phone: (864) 232-5204

larry@gfhllp.com
david@gfhllp.com
ken@gfhllp.com
emily@gfhllp.com
denise@gfhllp.com
ccauley@coxcpas.com

Lowcountry Office
39 Farmfield Avenue
Charleston, SC 29407
Phone: (843) 735-5805

With a focus on serving governments in South Carolina, GFC is well qualified to serve the Town, and we believe you will see that in this proposal. GFC is a leader in serving local governments in South Carolina. We work efficiently and effectively to ensure that Board members, as well as management, receive complete, accurate and timely audited financial statements that they can use as they make decisions about their entity. We also provide Board members and management with important verbal and written recommendations regarding compliance matters, which can help the Town personnel to continue to improve operations.

As government accounting, auditing, and financial reporting regulations continue to expand and grow in complexity, it is more important than ever to have a firm focused on serving local South Carolina governments on your team.

GREENEFINNEYCAULEY.CPA • INFO@GREENEFINNEY.COM

GREENVILLE, SC
864.232.0653

MAULDIN, SC
864.232.5204

CHARLESTON, SC
843.735.5805

ANDERSON, SC
864.225.8713

ASHEVILLE, NC
828.771.0847

OPEN BY
APPOINTMENT ONLY

1. **GFC focuses on local governments in South Carolina.** We currently provide audit and related services to more than 70 governments in South Carolina with revenues totaling over \$4 billion.
2. **GFC has extensive experience serving utilities in South Carolina.** We provide audit services to over 7 municipalities with utility operations that have over \$60 million in annual revenues and over 5 other utility providers with over \$120 million in annual revenues.
3. **GFC staff is committed to South Carolina governments.** Over 20 of our professional staff are fulltime audit employees who are available to serve the Town throughout the year. We encourage ongoing meetings and phone calls to address the implementation of any GASBs and discuss any issues as they surface throughout the year. GFC has a history of a low turnover rate among professional staff, which leads to positive continuity for our clients from year to year.
4. **GFC has significant Single Audit and ACFR experience.** We perform over 30 single audits and prepare over 20 ACFRs on an annual basis. All of our professional staff have single audit and ACFR experience.
5. **GFC values and practices effective communication.** GFC communicates clearly and consistently to staff at all levels of our client's organization. From our initial meeting with finance staff to our presentation to the Town's Board, GFC endeavors to ensure that the Town is well informed throughout the year.
6. **GFC works hard to provide great client service.** We serve our clients beyond the audit.
 - a. We strive to stay up-to-date on concerns facing governments. We support government associations (MASC, MFOCTA, SCAMPS, SCCCMA, the Municipal Elected Officials Institute and GFOASC) as members, sponsors, exhibitors, and speakers.
 - b. We host an annual continuing professional education conference that is free to our clients, offering a unique opportunity for our clients to network among government and finance peers in South Carolina (we hope to be able to host again in 2023).
 - c. Through conference seminars and email updates, we keep our clients informed on new GASBs and other matters which may impact them.

Our focus on the SC government and utility market, our commitment to excellence, and our loyalty to South Carolina entities distinguishes GFC as a leading governmental audit firm in South Carolina. GFC would be honored to partner with the Town of Kiawah Island as it continues to serve its citizens.

Sincerely,



Larry Finney, Partner
Greene Finney Cauley, LLP



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

RELEVANT EXPERIENCE AND QUALIFICATIONS

Our Firm Overview

GFC is a local certified public accounting firm with offices in Mauldin, SC; Anderson, SC; Greenville, SC; Charleston, SC; Spartanburg, SC; and Asheville, NC. Established in 1996, GFC focuses on two services:

1. Auditing, accounting, and consulting services to government and nonprofit organizations
2. Individual and corporate tax services, payroll services, and accounting services to businesses, governments and other organizations through our Back Office Support System (“BOSS”)

Our firm includes nine partners/principals, ten managers, sixteen supervisors/seniors, sixteen professional staff, and five administrative staff (56 people, 22 of which are professional audit staff). The work for the Town will be performed out of our Charleston office. GFC will have an engagement partner, a manager, a supervisor/senior, and one to two professional staff assigned to the audit. The audit will also undergo a second review by a partner or manager not assigned to the audit.

GFC STAFF POSSESS MORE THAN 160 YEARS OF COMBINED EXPERIENCE SERVING GOVERNMENTS

When Boyd Greene and Larry Finney started GFC in 1996, their strategy was to specialize in serving government and nonprofit organizations, and we continue that strategy today. From the beginning, GFC has played many different roles within the government industry, in addition to providing audit and other services.

- **We are members** of various government organizations, including MASC, MFOCTA, SCAMPS, GFOA, GFOASC, GASB, and the AICPA Government Audit Quality Center (“GAQC”) among others.
- **We are exhibitors, sponsors and speakers** at conferences for government organizations including MASC, MFOCTA, SCAMPS, GFOASC and the Municipal Elected Officials Institute of Governments.
- **We participate** in the video taping of the Finance and Budgeting section of the video training used by Municipal elected officials around the state.

GFC SERVES OVER 70 GOVERNMENTS IN SOUTH CAROLINA

GFC is a leader in providing audit and consulting services to governments in South Carolina. With 24 professional audit staff in South Carolina, GFC provides audit and other services to over 70 governments. GFC has been providing services to governments in South Carolina for over 20 years.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

RELEVANT EXPERIENCE AND QUALIFICATIONS (Continued)

GFC currently provides services to:

- Over 8 counties and state entities
- Over 20 school districts and charter schools
- Over 20 special purpose districts, including over 5 utilities
- Over 20 municipalities, including over 5 with utility operations
- Over 30 nonprofits

GFC continues to provide audit services to many municipalities and counties in South Carolina that have various needs and operations including:

Municipalities comprise a large part of our business, and we would like to help the Town continue to accomplish its vision and mission. The best way for us to reach our goal is to provide quality services that meet or exceed the expectations of the Town of Kiawah Island.

GFC also provides audit and other services to several nonprofits that are closely related to government entities and are accounted for as a government entity.

Additional Services

GFC provides a full range of advisory and agreed-upon-procedures services—beyond the financial audit—based on the needs and requests of our clients. These include assistance with the following as examples:

- Procurement / Purchasing
- Forecasts and Projections
- Budgeting
- Debt analysis
- Surprise payrolls
- Fraud investigations
- Payroll tax issues
- 990 or IRS tax issues
- Implementation of GASBs
- Capital assets
- Board training – understanding financial statements

*Our mission is to be the CPA firm in South Carolina best known
for providing quality auditing, accounting, and consulting services
to government and not-for-profit organizations.*



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

RELEVANT EXPERIENCE AND QUALIFICATIONS (Continued)

Government Auditing Standards and Single Audit Experience

GFC has extensive experience with Generally Accepted Government Auditing Standards (“GAGAS”), uniform guidance (“UG”) and the Single Audit. **GFC is a member of the American Institute of Certified Public Accountants’ (“AICPA”) Government Audit Quality Center (“GAQC”).** The GAQC provides regular updates on changes in governmental auditing. They also provide regular continuing education updates on GAGAS and the Single Audit. GFC uses the GAQC updates during our internal GFC training. GFC provides at least 40 hours of training to our staff each year. Most of that training is focused on governmental accounting and auditing, including the Single Audit.

GFC established a Single Audit committee several years ago. This committee’s responsibility is to ensure all GFC audit staff stay up-to-date on our Single Audit regulations and that our GFC policies, procedures, and practices are in compliance with GAGAS.

GFC performs Single Audit services for approximately 30 clients each year, representing hundreds of millions of dollars in federal grants. Almost all of our larger municipalities, most of our school district and county clients, and some of our utility clients require a Single Audit annually. These Single Audits involve many different state and federal programs including ARPA, USDA, HUD, DOE, FAA, DOT and others. Due to our focus on servicing governments, GFC has performed hundreds of Single Audits since its founding. We are extremely familiar with the UG (2 CFR 200) and the requirements therein. We understand our responsibility to:

- Identify clusters and programs in determining Type A programs/clusters
- Evaluate whether the programs/cluster are high risk or low risk
- Determine whether the Town would be considered a high risk or low risk auditee
- Ensure that the 40% or 20% thresholds are met based on whether the Town is high risk or low risk auditee

AICPA Peer Review Program

GFC has participated in the AICPA peer review program since its founding. Each peer review report received by our firm has been the best possible report with no comments. A copy of our 2020 Peer Review is included in the Appendix of this proposal.

ALL PEER REVIEW REPORTS = BEST RESULTS POSSIBLE



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS

The Engagement Team

We will plan to have four to five professional staff providing audit services to the Town, all of whom work in the Charleston office. Emily Sobczak will serve as Engagement Partner, Tyler Uldrick as Manager, Jay Ashworth, Nick Paschall, or Lydia Simpson as Supervisor/Senior, and one to two other staff persons will assist in the completion of the audit. We will also have a second partner perform a quality review once the audit is completed. The resumes of Emily, Tyler, Jay, Nick, and Lydia are included at the end of this proposal.

Role of the Engagement Partner

The Engagement Partner will be on site prior to fieldwork for planning meetings with the Town, during fieldwork periodically as issues need to be addressed and check on the status of the work, toward the end of fieldwork to review the audit workpapers, and after fieldwork is completed to review the financial statements, management letter, and our presentation with the Town staff members. The Partner or Manager will make the audit presentation to the Council.

Role of the Manager

The manager will be on-site prior to fieldwork for planning meetings with the Town. The manager will provide oversight to GFC staff, help perform audit work, review audit workpapers, help with the preparation of the financial statements and management letter, and assist with issues, if they arise. After fieldwork is completed, the manager will review the financial statements, management letter, and the presentation with the Town staff members.

Role of the Supervisor/Senior

The supervisor/senior will be on-site prior to fieldwork for planning meetings with the Town. The supervisor/senior will be on-site close to 100% of the time GFC is on-site, supervise GFC staff, help perform audit work, review audit workpapers, help with the preparation of the financial statements and management letter, and assist with issues, if they arise. After fieldwork is completed, the supervisor/senior will participate in meetings with the Town staff members.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS (Continued)

EMILY SOBCZAK, Partner, CPA

Emily joined GFC in 2011 after working in Atlanta for six years in public accounting. She has seventeen years of public accounting experience, primarily providing audit and other services to school districts, governments, and nonprofit entities. Emily is licensed to practice as a CPA in South Carolina.

Emily has served on numerous government audit and consulting projects in South Carolina, including:



- **Town of Mount Pleasant, City of North Charleston, Town of Hilton Head Island, City of Isle of Palms, Town of Sullivan's Island, Town of Kiawah Island, Town of Moncks Corner, City of Folly Beach, Town of Surfside Beach, and City of Georgetown**
- Special Purpose Districts: Summerville Commissioners of Public Works, Hilton Head Public Service District No. 1, Berkeley County Water & Sanitation, Charleston County Park and Recreation Commission
- Charleston County School District, Dorchester County School District 2, Dorchester County School District 4, Jasper County School District, Lexington County School District 1, Lexington County School District 2, and Florence County School District 4
- Berkeley County, Dorchester County and York County
- Municipal Association of SC and the SC Association of Municipal Power Systems
- Other government agencies and nonprofits including the SC Governor's Office, Palmetto Railways, and the Charleston Area Regional Transportation Authority

Emily's work with school districts involves performing numerous Single Audits. Additionally, Emily chairs GFC's Single Audit Committee, which ensures GFC's compliance and implementation of changes in accordance with Single Audit standards and Uniform Grant Guidance.

In addition to attending outside conferences and seminars, Emily receives approximately 5-6 days of in-house government accounting and auditing continuing professional education training each year. In the last three years, Emily has taught and or attended the continuing professional education courses that included approximately 70 hours of governmental accounting, auditing and financial reporting education. These courses are listed on Emily's resume in the Appendix of this proposal.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS (Continued)

TYLER ULDRICK, Manager

Tyler began working for GFC in 2013. Tyler has extensive experience with auditing school district, governmental, and nonprofit entities and providing Single Audit assistance. As the engagement manager for the audit of the District, he would oversee and review all work performed.



Tyler has served numerous governments and similar entities, including:

- **City of North Charleston, Town of Mount Pleasant, Town of Surfside Beach, City of Isle Palms, City of Folly Beach, Town of Sullivan's Island, and City of Georgetown**
- Charleston County School District, Dorchester County School District 2, Dorchester County Career and Technology Center, Florence County School District 4, Lexington County School District 2, and Orangeburg County School District 4
- Charleston County Park and Recreation Commission, Palmetto Railways, Patriot Point Development Authority, St. John's Fire Department, Summerville Commission of Public Works, SC Conservation Bank, SC First Steps, and York County Library System
- Anderson County, Dorchester County, and York County
- Beaufort County Open Land Trust, East Cooper Land Trust, Historic Beaufort Foundation, Lord Berkeley Conservation Trust, Palmetto Project, Palmetto Community Action Partnership, SC Firefighters' Association, Town of Hilton Head Recreation Association

Tyler receives government and nonprofit accounting and auditing continuing professional education training each year. Tyler's CPE for the last three years included approximately 70 hours of governmental accounting, auditing, and financial reporting education. A list of these courses is on Tyler's resume in the Appendix of this proposal.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS (Continued)

JAY ASHWORTH, Supervisor, CPA

Jay joined Greene Finney Cauley, LLP in the beginning of 2020 after working for several years with other accounting firms in South Carolina. He has a Bachelor of Science in Accounting from Lander University, and a Bachelor of Science in Marketing/Management from University of South Carolina.

As the Supervisor, Jay would be on-site providing oversight to the other staff members assigned to the audit.

Jay's experience includes the following:



- **Town of Hilton Head Island, City of Lake City**
- Lexington School District 2, Jasper County School District, Dorchester County School District Four
- With other firms: Salvation Army of Columbia, Boys and Girls Club of Athens, GA, and Meg's House,
- With other firms: Berkeley County, Charleston County, Greenwood County, Laurens County
- Holly Springs Fire-Rescue Department

Jay takes part in the GFC in-house training that is focused on governmental and nonprofit accounting, auditing, and financial reporting. He is a Certified Public Accountant, earning the necessary CPE hours required each year since becoming certified. A listing of his work experience is located on his resume in the Appendix of this proposal.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS (Continued)

NICHOLAS PASCHALL – Senior

Nicholas joined Greene Finney Cauley, LLP in June 2019 after graduating from the College of Charleston. He has two Bachelor of Science degrees, in Accounting and Finance, and has worked with a variety of clients during his time at the firm.

As the Senior, Nicholas would be on-site providing oversight to the other staff members assigned to the audit.



Nicholas's experience with clients includes the following:

- **City of Lake City, Town of Fort Mill, Town of Hilton Head Island, Town of Moncks Corner, Town of Mount Pleasant, Town of Sullivan's Island, Town of Surfside Beach**
- Beaufort County Open Land Trust, Dorchester County Library, Edisto Island Open Land Trust, Florence Crittenton, Keystone Substance Abuse Services, Natural Land Trust, Palmetto Community Action Partnership, Patriots Point Development Authority, South Carolina Conservation Bank, South Carolina First Steps, South Carolina Firefighters' Association
- Baptist Church of Beaufort, Hilton Head Public Service District, Hilltop Fire District, Summerville Commissioners of Public Works,
- Charleston County School District, Dorchester County School District 4, Florence County School District Four, Jasper County School District, Lancaster County School District, Lexington County School District 2, Orangeburg Consolidated School District 4,
- Dorchester County
- GSP, Palmetto Railways

Nicholas takes part in the GFC in-house training that is focused on governmental and nonprofit accounting, auditing, and financial reporting. A listing of these is located on his resume in the Appendix of this proposal.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SUMMARY OF QUALIFICATIONS (Continued)

LYDIA SIMPSON, Senior Accountant

Lydia joined Greene Finney Cauley, LLP in the middle of 2020 after working for a small public accounting firm in Florida which specialized in investment firm and investment fund audits. She has a Bachelor of Science in Business Administration with a concentration in Accounting from Winthrop University, and a Master of Professional Accountancy from Clemson University.

As the Senior Accountant, Lydia would be on-site providing oversight to the other staff members assigned to the audit.

Lydia's governmental and non-profit experience includes the following:

- **Town of Mount Pleasant, City of Georgetown, City of Folly Beach, Town of Surfside Beach, Town of Sullivan's Island, Town of Moncks Corner**
- Palmetto Community Action Partnership, Beaufort County Open Land Trust, South Carolina Conservation Bank
- Charleston County School District, Dorchester County Career and Technology Center
- St. John's Fire District

Lydia takes part in the GFC in-house training that is focused on governmental and nonprofit accounting, auditing, and financial reporting. A listing of her work experience is located on his resume in the Appendix of this proposal.



Resumes for the Engagement Staff are provided at the end of this proposal.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Below are three municipalities we have audited out of the Charleston office in the last two years. Please feel free to contact any of our other clients, as we endeavor to maintain great relationships and provide excellent service to all. We will also be glad to provide additional references if you desire.

Town of Surfside Beach, SC – ACFR issued and GFOA award received

Contact: Diana King, Director of Finance
Phone: (843) 913-6111 x.336
Email: dking@surfsidebeach.org

Scope: Annual audit in accordance with generally accepted auditing standards and government auditing standards, and the compliance requirements of the Uniform Guidance

Years serviced: 2015 – Present

Town of Sullivan’s Island, SC

Contact: Jason Blanton, Comptroller
Phone: (843) 883-5751
Email: jblanton@sullivanisland-sc.com

Scope: Annual audit in accordance with generally accepted auditing standards and government auditing standards

Years serviced: 2009 – Present

City of Lake City, SC

Contact: William Hall, City Administrator
Phone: (843) 374-5421
Email: whall@cityoflakecity.org

Scope: Annual audit in accordance with generally accepted auditing standards, government auditing standards, and the compliance requirements of the Uniform Guidance

Years serviced: 2016 – Present



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH

At GFC, we apply a risk based approach to our audits. We believe the key factors in providing effective and efficient audit service to the Town are 1) proper planning, 2) gaining an understanding of the unique aspects of the Town's operations, 3) developing an audit program that accomplishes the identified audit objectives, and 4) effectively responding to issues as they arise during the audit. **We believe our focus on risk leads to more effective and efficient audits.**

Our practice is to combine on-site work and remote work. In our initial meetings we will talk with the Town and determine what combination of in-site versus remote work will work best for the Town.

GFC's usual practice is to divide the audit into three sections:

1. PLANNING AND INTERIM FIELDWORK
2. YEAR END AUDIT FIELDWORK
3. REVIEW, MEETINGS AND PRESENTATION

The table below provides the details of each section.

Planning and Interim Fieldwork	<ul style="list-style-type: none"> Initial meetings with Town staff to discuss changes in operations, the planned timetable, expected financial results, questions or issues that have not been addressed earlier in the year, schedules and information to be provided by the Town, and various other matters. 	We will plan on performing our interim work in the May through early July time period and will coordinate timing with the Town.
	<ul style="list-style-type: none"> Obtain and review documents such as debt issuances, leases, significant contracts, third party monitoring reports, financial, management information system and operating manuals, organization charts, and budgets. Note that many of these documents will only need to be provided the first year unless changes are made. 	
	<ul style="list-style-type: none"> Obtain the most recent interim financial statements. Perform analytical reviews compared to the prior year and budget. Inquire of Town finance staff regarding any unexpected results. 	
	<ul style="list-style-type: none"> Review Council meeting minutes, including any committee meeting minutes. 	
	<ul style="list-style-type: none"> Based on our review of internal control processes and procedures and inquiry of the Town, we will gain an understanding of the Town's significant processes and procedures. We will then perform walk-throughs of the significant processes and determine if we can test and rely on any controls to reduce our substantive testing. 	
	<ul style="list-style-type: none"> Obtain a preliminary schedule of expenditures of federal awards to determine the likely need for a Single Audit 	
	<ul style="list-style-type: none"> Initial meetings with the Mayor and potentially other Council members to discuss questions or concerns they have, to make inquiries of them regarding fraud and to ensure they understand the limitations of a financial statement audit. 	
	<ul style="list-style-type: none"> GFC team meeting to assess risk, determine the need for sending confirmations, develop audit programs and prepare the list of schedules and information needed from the Town at year end. 	
	<ul style="list-style-type: none"> Internal meeting to assess risk and determine final fieldwork procedures 	
	<ul style="list-style-type: none"> Meet with Town Staff to discuss interim results and information needed for year end 	



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

Final Audit Fieldwork	<ul style="list-style-type: none"> Meet with Town Staff to discuss year-end updates and obtain a final trial balance. 	When the Town has the trial balance closed out. Based on past experience we would expect to be at the Town in early September.
	<ul style="list-style-type: none"> Perform analytical reviews of the year end trial balance amounts compared to the prior year, the budget and other available information to identify new risks and to identify potential changes to audit programs that could increase or decrease the need for substantive work. 	
	<ul style="list-style-type: none"> Internal GFC team meeting to discuss any potential changes to the audit procedures based on any new information from the Town and the results of the initial year end analytical review. 	
	<ul style="list-style-type: none"> Obtain the final schedule of expenditures of federal awards and determine if a Single Audit is required. If preliminary work was performed, ensure the initial programs selected will still provide enough coverage. Complete the remaining Single Audit compliance testing. 	
	<ul style="list-style-type: none"> Perform tests to determine that the following balance sheet accounts are accurate, complete, properly restricted if necessary, and properly classified; cash and investments, receivables and the corresponding allowances, capital assets and the corresponding depreciation, deferrals inflows and outflows, payables and accruals, debt and compensated absences, pension liability, and fund balances/net position. 	
	<ul style="list-style-type: none"> Perform analytical review of revenue and expenditure accounts in addition to substantive testing as determined necessary (for example, confirmation of property tax revenue). In addition to comparison to the prior year and budget, we will identify any external third-party information we can utilize as well as additional internal Town information. We will also test the expenditures and allocation of the Schedule of Municipal Fines, Assessments and Surcharges. 	
	<ul style="list-style-type: none"> Progress meetings with Town staff as needed and desired by the Town and GFC. Our practice is to discuss with appropriate Town staff any potential verbal or written findings and recommendations during fieldwork. 	
	<ul style="list-style-type: none"> The Supervisor/Senior, Manager and Partner will review workpapers after the audit sections have been completed. 	
	<ul style="list-style-type: none"> Complete year end general procedures such as identifying any remaining commitments, contingencies and subsequent events, sending any attorney letters needed, and summarizing proposed audit adjustments. 	
	<ul style="list-style-type: none"> Prepare drafts of financials and notes, Management Letter, Opinion, and Power Point presentation 	
Review, Meetings and Presentation	<ul style="list-style-type: none"> Meet at the end of final fieldwork to discuss open items, review any potential verbal or written findings and recommendations, and discuss the planned timetable for remaining work 	After completion of fieldwork
	<ul style="list-style-type: none"> Finish review of any remaining audit sections not yet reviewed. 	
	<ul style="list-style-type: none"> Complete remaining general procedures and obtain the management representation letter from the Town. 	
	<ul style="list-style-type: none"> Town Finance and GFC review drafts of all deliverables and then meet to discuss changes. 	
	<ul style="list-style-type: none"> Meet with Town management and then Council Chair, as needed 	
	<ul style="list-style-type: none"> Finalize the ACFR, Management Letter and Power Point presentation. 	
	<ul style="list-style-type: none"> Presentation to Council 	
	<ul style="list-style-type: none"> Preparation of Data Collection Form if Town required a Single Audit 	



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

Hours by Audit Section

The planned amount of time for each section of the annual audit is as follows:

	Partner	Manager	Supervisor/Senior	Staff
Planning and Interim Fieldwork	10	15	30	30
Year-end Audit Fieldwork	10	30	80	90
Review, Meetings and Presentation	20	25	10	0
Totals:	40	70	120	120

The Single Audit

GFC performs over 30 Single Audits on annual basis. We are extremely familiar with the Uniform Guidance (2 CFR 200) and the requirements therein. We understand our responsibility to:

- Identify clusters and programs in determining Type A programs/clusters
- Evaluate whether the programs/cluster are high risk
- Determine whether the Town would be considered a low risk auditee
- Ensure that the 40% or 20% thresholds are met based on whether or not the Town is a low risk auditee

If the Town qualifies to have a Single Audit, GFC will ensure compliance with the Uniform Guidance in performing the Single Audit. GFC has been through a site visit from an Inspector General's office and many desk reviews, all with great results.

Sampling Techniques and the Extent to Which Statistical Sampling May Be Used in the Engagement

Our general practice is to utilize sampling extensively in the performance of our audits. Whenever our testing involves a large population of transactions, we utilize sampling techniques. We test the detail transactions of specific balance sheet accounts, the detail transactions of revenue and expenditures accounts, internal controls and procedures, and compliance with laws, contracts, and regulations. The AICPA, Auditing Standards Board, and the OMB provide guidance for audit sampling to use in the Single Audit.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

The Extent of the Use of EDP Software in the Engagement

During the planning and interim work section of our audit, we will obtain an understanding of the Town's management information systems, perform our risk assessment, and develop our planned audit procedures. All of our staff are experienced in utilizing electronic software in performing audit procedures. There are many potential procedures for the use of EDP software as well as Excel. Some examples of potential procedures for which we may extract and analyze the Town's data include:

- Comparing employee and vendor addresses to look for matching or unusual addresses
- Extracting vendor transaction data and organizing vendors by total dollar value of annual transactions
- Analyzing general ledger account data
- Extracting purchasing transaction data to look for split purchases to avoid procurement regulations

We also utilize our paperless engagement software to download the Town's trial balance and efficiently tie our audited trial balance to the Town's amounts and balances in the ACFR.

Type and Extent of Analytical Procedures that may be Used in the Engagement

Analytical procedures can be the most efficient and effective way to audit many different accounts and balances. As a result, GFC uses analytic procedures extensively in our audits, especially in the case of revenues and expenses where a predictable estimate can be determined as well as in less material balance sheet accounts.

Analytical procedures involve developing an expectation of what an amount or balance should be and then comparing the actual result to the expectation. That expectation can be:

- The prior year(s) balance(s) adjusted for any expected changes
- The current year budget as revised
- The relationships between accounts (for example, the retirement expense balance compared to salaries)
- Internal Town nonfinancial information (for example, the change in personnel from human resources or the number of business licenses issued)
- External third-party information

When a significant difference between the expected amount and the actual amount is detected, GFC will perform additional substantive testing.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

Understanding and Documenting the Town's Internal Control

There are three elements of risk that must be evaluated in order to allow an auditor to reduce the risk of material misstatement to an acceptable level in order to issue an unmodified opinion: 1) inherent risk of the entity being audited, 2) control risk (the quality of the entity's internal controls), and 3) detection risk (the audit procedures performed). Therefore, the Town's internal controls and the auditor's assessment of those controls are very important.

The Committee of Sponsoring Organizations ("COSO") is a leader in the area of developing and implementing internal controls for all organizations. COSO describes five important elements of internal controls, all of which must be evaluated in order to be effective (not only to prevent errors, abuse, and fraud, but also to detect errors and fraud when they do occur):

1. The control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring activities

In gaining, documenting, and evaluating the Town's internal controls, and testing them where considered necessary, we consider all five elements. There are two important aspects to our evaluation of the Town's internal controls. First, are the Town's internal controls **designed** efficiently and effectively? Second, are the Town's internal controls **operating** efficiently and effectively?

Auditing standards require that we gain an understanding of the Town's internal controls and verify that understanding. To evaluate the design of the Town's internal controls, we will obtain and review the Town's financial operating manual that describes the Town's financial processes, procedures, and controls. Based on our review, we will identify the significant processes and verify that the internal controls for those processes are operating as they were designed. At GFC, we perform a walk-through of each significant process by selecting a transaction and "walking" it through the process. We document each walk-through by preparing a written narrative of the details that walk-through.

It is also important to note that there is no perfect internal control system, as the cost would be prohibitive. Therefore, any internal control system involves a certain level of trust of employees. We believe it is important to remind our clients, including governing body members, of this fact.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

Determining Laws and Regulations that will be Subject to Audit Testwork

GFC will use several procedures to determine which laws and regulations apply to our audit testwork. GFC will:

- Inquire of the Town staff regarding policies and procedures regarding compliance with federal and state laws and regulations and determine whether they are aware of any noncompliance
- Obtain and review the various contracts, debt documents, monitoring reports, and other documents
- Obtain and review a schedule of expenditures of federal awards to determine if the Town will require a Single Audit, and, if required, perform the Single Audit
- Obtain and test the state required schedule of fines, assessments, and surcharges
- Plan and perform audit procedures to test for compliance with laws and regulations (for example, the timely and accurate filing of 941s and SC retirement reports)

Drawing Audit Samples for Purposes of Tests of Compliance

The authoritative auditing standards guidance for drawing audit samples for tests of compliance is general in nature and leaves much of the decisions to the auditors' professional judgement. Our practice is to follow the guidance that is provided, which focuses on the ensuring that we properly **plan** (ensure a proper and complete population from which to select the sample), **select** (a proper sample size and items such that the sample is representative of the population), and **evaluate** the results (which includes project the sampling results to the entire population).

For the test of controls for compliance, we will select a sample from the entire population. For substantive testing, we may identify either individually significant items (items that are above a certain dollar threshold) or unusual items. If there are individually significant items or unusual items that will be tested separately, we will take these items out of the population before selecting our sample.

The Guidance also discusses the various methods of selecting samples. We may utilize either statistical or non-statistical sampling, depending on the objectives, the population, and other factors. No matter which method we utilize, we generally select our samples either **randomly** (this provides each item in the population an equal chance of being selected) or **haphazardly** (it is important under this method to not have a conscious bias).

GFC uses forms to help us with our planning, selection, and evaluation of our sampling.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

GFC AUDIT APPROACH (Continued)

Assistance with Implementation of GASBs

GFC will not only keep the Town up to date on upcoming GASBs but will be glad to assist the Town in the implementation of GASBs and other standards as necessary. Additionally, GFC will make the Town aware of upcoming GASBs ahead of implementation. Our conferences also include updates on GASBs and other standards as they are issued.

Release of Financial Data to Third Parties

Auditing standards require that GFC be made aware of any planned release of our opinion and audited financial statements or when we are being referenced as the auditors for debt issuances or other similar uses of our opinions. We will review the document being issued (an official statement for example) to ensure the information in the document is consistent with the audited financial statements if a consent or comfort letter is being issued.

GFC's Approach to Improving the Town's Accounting Procedures, Internal Controls and Related Areas

Our practice is to maintain a list of recommendations for helping the Town improve its processes and procedures to become more efficient and effective. We will review these recommendations with appropriate Town staff during the audit and at progress meetings. Many of these recommendations tend to be minor brainstorming ideas for the Town to consider. We will review them again with Town staff at the exit conference, and if any recommendations are significant enough to necessitate a written response, we will discuss it with Town staff and include them in the management letter. Any recommendations in the management letter will include a response from the Town.



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

FEE SCHEDULE

We estimate the financial audit of the Town, including financial statement preparation, will require approximately 350 hours.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES	HOURS	STANDARD HOURLY RATE	QUOTED HOURLY RATES	TOTAL
PARTNERS	40	\$ 200	150	\$ 6,000
MANAGERS	70	150	110	7,700
SUPERVISORY STAFF	120	110	90	10,800
OTHER (Professional Staff)	120	\$ 80	60	7,200
YELLOWBOOK INDEPENDENCE REVIEW				3,000
TOTAL FOR SERVICES DESCRIBED IN RFP				\$ 34,700
OUT OF POCKET EXPENSES				
MEALS AND LODGING				\$ -
TRANSPORTATION				-
OTHER				-
TOTAL ALL-INCLUSIVE PRICE FOR TOWN'S 2023 AUDIT				\$ 34,700
TOTAL ALL-INCLUSIVE PRICE FOR TOWN'S 2024 AUDIT				\$ 36,300
TOTAL ALL-INCLUSIVE PRICE FOR TOWN'S 2025 AUDIT				\$ 37,900
TOTAL ALL-INCLUSIVE PRICE FOR TOWN'S 2026 AUDIT				\$ 39,600



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES

COMPENSATION (Continued)

Note: This fee assumes that the general ledger is accurately and completely closed and ready to be audited, that the Town staff will provide general assistance with providing information, answering questions, providing explanations as a result of our financial analysis and other help as needed during the audit as discussed in our proposal. The fee also assumes a Single Audit is not required. If required, the cost of testing one major program will be approximately \$5,000.

If additional work is required by GFC, or if changes in regulations, new GASBs, new auditing standards or other factors cause the amount of audit time to increase significantly, GFC will inform the Town, talk with the Town about the changes and come to an agreement about the fee before any work is performed. If additional work must be done on an hourly rate basis, our average hourly rate is \$120/hour or we can charge hourly rates based on the standard hourly rates by staff classification. Our desire would be to agree to a fixed fee if possible.

Please note that the Yellowbook Independence Review is a new requirement as of about 2 years ago. Just like it sounds, it is now a step we must take to have someone independent of the GFC audit group who is knowledgeable of governmental accounting review the financial statements and certain workpapers before we issue the financial statements.

Note: The above all inclusive prices assume an approximately 4-5% increase for inflation. If the actual inflation rate is significantly higher than that, we will discuss that with you before the engagement letter is issued to you.

Attachment B

Town of Kiawah Island

Audit Proposal Summary Sheet

Name of the firm: GREENE FINNEY CAULEY, LLPAddress: 211 EAST BUTLER ROAD, SUITE C-6
MAULDIN, SC 29662Phone number: 864-232-5204Contact person: EMILY SOBCZAK

Persons responsible for audit # years with the firm
(Please include qualifications (i.e. Resumes) of those available and to be assigned)

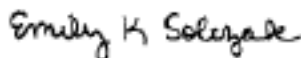
Partner: EMILY SOBCZAK 11 yearsManager: TYLER ULDRICK 9 yearsSenior: LYDIA SIMPSON 2 yearsStaff: MICHAEL SULLIVAN 1 year

	Audit, W/Opinion Fee (Not to Exceed)	Single Audit (if applicable)
2023	<u>\$34,700</u>	<u>\$5,000</u>
2024	<u>\$36,300</u>	<u>\$5,000</u>
2025	<u>\$37,900</u>	<u>\$5,000</u>
2026	<u>\$39,600</u>	<u>\$5,000</u>

Comments: _____

REFERENCES

Government Entity	Contact Person	Phone Number	Years of Engagement
1. City of Lake City	William Hall	843-374-5421	2016-Present
2. Town of Surfside Beach	Diana King	843-913-6111	2015-Present
3. Town of Sullivan's Island	Jason Blanton	843-883-5751	2009-Present



Signature

Partner

Title

Date

Report on the Firm's System of Quality Control

June 26, 2020

To the Partners of Greene Finney, LLP and the
Peer Review Committee of the Peer Review Alliance

We have reviewed the system of quality control for the accounting and auditing practice of Greene Finney, LLP (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. 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.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Greene Finney, LLP in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Greene Finney, LLP has received a peer review rating of *pass*.

BROWN CPA, LLC

BROWN CPA, L.L.C.

www.browncpallc.com | P.O. Box 3288 | Irmo, SC 29063 | 803-315-3029

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



Education

Master of Accountancy	University of Georgia	2005
BBA in Accounting	University of Georgia	2004

Work Experience

Greene Finney Cauley, LLP Present	Partner	2011-
<ul style="list-style-type: none"> Auditing, accounting, and consulting services to government and nonprofit organizations Individual and corporate tax services, payroll services, and accounting services to businesses, governments and other organizations through our Back Office Support System ("BOSS") 		
Mauldin & Jenkins, LLC CPA firm with a focus on providing audit services to local governments.	Manager	2007-2011
KPMG, LLC	Senior Associate	2005-2007

<i>Continuing Professional Education (since 2018)</i>		Total Credit Hrs.
2020	Phishing, Fraud, and 1% Funds Audit Planning & Single Audit Updates Debt Transactions and Uniform Guidance Revisions Procurement, Single Audit, and IT Updates GAAP Updates & Quality Control 2021 Compliance Supplement & GAAP Update SDE Audit Guide; Sampling & Single Audit Updates Pensions and Finance	40
2020	Reviewing 2019, Planning for 2020 Audit Planning & GAAP Updates & Ethics Planning & Quality Control Updates Yellow Book & GAAP Updates GAAP Updates / Quality Control / Procurement Preparing for Final Fieldwork SDE & GAAP Updates Single Audit & Debt Management Tools 990 Overview & Single Audit Updates	41
2019	Reviewing 2018, Planning for 2019, and NFP Updates Audit Planning & GAAP Updates 2019 SC Department of Education Audit Update Planning Updates SC Association of CPA's Governmental Accounting & Auditing Update Applying the Uniform Guidance in Your Single Audits Audit Updates: Programs, Auditing Cash, Funds, Single Audit, etc	62

Education

BS in Business Administration Concentration - Accounting	University of South Carolina Upstate	2010
---	--------------------------------------	------

Work Experience

Greene Finney Cauley, LLP	Manager	2013-Present
<ul style="list-style-type: none"> Auditing, accounting, and consulting services to government and nonprofit organizations Individual and corporate tax services, payroll services, and accounting services to businesses, governments and other organizations through our Back Office Support System ("BOSS") 		
New Foundations Home for Children	Staff Accountant/Payroll Admin.	2011-2013
Private, nonprofit organization specializing in caring for emotionally troubled children, adolescents, and families		

Continuing Professional Education (since 2018)

Total Credit Hrs.

2021	Phishing, Fraud, and 1% Funds Audit Planning & Single Audit Updates Debt Transactions and Uniform Guidance Revisions Procurement, Single Audit, and IT Updates 2021 Compliance Supplement & GAAP Update SDE Audit Guide, Single Audit Updates, & Quality Control Pensions and Finance	40
2020	Reviewing 2019, Planning for 2020 Audit Planning & GAAP Updates & Ethics Planning & Quality Control Updates Yellow Book & GAAP Updates GAAP Updates / Quality Control / Procurement Preparing for Final Fieldwork SDE & GAAP Updates Single Audit & Debt Management Tools 990 Overview & Single Audit Updates	43
2019	Reviewing 2018, Planning for 2019, and NFP Updates Audit Planning & GAAP Updates Audit Updates: Programs, Auditing Cash, Funds, Single Audit, etc Preparing for Final Fieldwork	32

Education

Bachelor of Science in Business Administration		
Marketing/Management	University of South Carolina	2006
Accounting	Lander University	2013

Work Experience

Greene Finney Cauley, LLP	Supervisor Accountant	March 2020-Present
<ul style="list-style-type: none"> Auditing, accounting, and consulting services to government and nonprofit organizations 		
Scott and Company, LLC	Senior Accountant	2017-2020
<ul style="list-style-type: none"> Performed audit and other attestation services to government, nonprofit, and industry clients. 		
Hoffman & Hoffman	Senior Accountant	2016-2017
<ul style="list-style-type: none"> Performed audit and attest services for industry clients. Performed income tax services for individuals, LLC's, and S-Corporations. 		
Trinity Accounting Group	Staff Accountant II	2015-2016
<ul style="list-style-type: none"> Performed audit and attest services for nonprofit and industry clients. Performed income tax services for individuals, LLC's, and S-Corporations. 		
Elliott Davis	Staff Accountant	2013-2015
<ul style="list-style-type: none"> Performed audit and attest services for government, nonprofit, and industry clients. Performed income tax services for individuals. 		

Continuing Professional Education (since 2020)

Total Credit Hrs.

2021	Phishing, Fraud, and 1% Funds Audit Planning & Single Audit Updates Procurement, Single Audit, and IT Updates GAAP Updates & Quality Control; SDE Audit Guide 2021 Compliance Supplement & GAAP Update	34
2020	Audit Planning & GAAP Updates Ethics; Advanced Staff Training Yellow Book & GAAP Updates; SDE GAAP Updates / Quality Control / Procurement Preparing for Final Fieldwork Single Audit & Debt Management Tools 990 Overview & Single Audit Updates	52

Education

Bachelor of Science in Accounting	College of Charleston	2019
Bachelor of Science in Finance	College of Charleston	2019

Work Experience

Greene Finney Cauley, LLP	Senior Accountant	2019-Present
<ul style="list-style-type: none"> Auditing, accounting, and consulting services to government and nonprofit organizations 		

Continuing Professional Education (since 2019) Total Credit Hrs.

2021	Advanced Staff Training, New Staff Training Audit Planning & Single Audit Updates Debt Transactions and Uniform Guidance Revisions Planning Updates 2021 Compliance Supplement & GAAP Update SDE Audit Guide, Single Audit Updates, & Quality Control Sampling & Single Audit Updates	42
2020	Reviewing 2019, Planning for 2020 Audit Planning & GAAP Updates Ethics Advanced Staff Training & New Staff Training Planning & Quality Control Updates Audit Updates: Yellow Book, GAAP, Procurement, SDE, Single Audit, etc. Preparing for Final Fieldwork	75
2019	Greene Finney Annual Conference Audit Updates: Programs, Auditing Cash, Funds, Single Audit, etc. Preparing for Final Fieldwork	24

Education

Bachelor of Science in Business Administration Accounting	Winthrop University	2018
Master of Professional Accountancy Audit	Clemson University	2019

Work Experience

Greene Finney Cauley, LLP	Senior Accountant	July 2020-Present
<ul style="list-style-type: none"> Auditing, accounting, and consulting services to government and nonprofit organizations 		
Spicer Jeffries LLP	Staff Accountant	2019-2020
<ul style="list-style-type: none"> Performed audit and other attestation services to investment firm clients. 		

Continuing Professional Education (since 2020) Total Credit Hrs.

2022	Reviewing 2021, Planning for 2022 Sample Engagement, Advance Flow, & Audit Assertions Advanced Staff Training Single Audit and Fraud Training Procurement, SDE, & Single Audit Updates GAAP Updates & Quality Control	51
2021	Phishing, Fraud, and 1% Funds Advanced Staff Training New Staff Training Audit Planning & Single Audit Updates Procurement, Single Audit, and IT Updates GAAP Updates & Quality Control; SDE Audit Guide 2021 Compliance Supplement & GAAP Update	62
2020	Preparing for Final Fieldwork SDE & GAAP Updates Single Audit & Debt Management Tools 990 Overview & Single Audit Updates	13



MAULDIN & JENKINS

mjcpa.com

6600 Abercorn Street, Suite 200

Savannah, GA 31405

Town of Kiawah Island, South Carolina

Technical Proposal to Provide Audit Services
Fiscal Years June 30, 2023 through 2026

Mauldin & Jenkins Certified Public Accountants

Contact Person: David Irwin, CPA, Partner

Phone: (800) 277-0050

Email: dirwin@mjcpa.com

Going Further.



VISION

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

*Over 650 Governmental Units Served
Throughout the Southeast*



Going Further.



Table of Contents

<i>Transmittal Letter</i>	1
<i>Scope of Work to be Performed</i>	3
- <i>Scope of Our Work and Required Audit Reports</i>	
- <i>Irregularities and Illegal Acts</i>	
<i>Independence</i>	4
<i>License to Practice in South Carolina</i>	5
<i>Firm Qualifications and Experience</i>	6
- <i>Organization and Size – Regional Firm</i>	
- <i>A Century of Service</i>	
<i>Quality Control Review</i>	8
- <i>External Peer Review</i>	
- <i>Rotating or Not Rotating Auditors</i>	
- <i>Desk Reviews or Field Reviews</i>	
- <i>No Disciplinary Actions</i>	
<i>Similar Engagements with Other Governmental Entities</i>	13
- <i>Client Transitions</i>	
- <i>Governments Served in the Past Three Years</i>	
- <i>Certificates of Achievement & Excellence in Financial Reporting</i>	
- <i>PAFR Experience</i>	
- <i>Municipal Bond Experience</i>	
- <i>Audits of Federally Funded Programs (Single Audits)</i>	
- <i>Governmental Attestation Services</i>	
- <i>Governmental IT Solutions</i>	
- <i>Governmental Advisory Services</i>	
- <i>Similar Clients</i>	
<i>Partner, Supervisory and Staff Qualifications and Experience</i>	30
- <i>Proposed Staffing and Qualifications</i>	
- <i>Other Resources for Non-Audit Services (Advisory Services, Information Technology Services & Fraud Examinations)</i>	
- <i>Other Staff Auditors & Accountants</i>	
- <i>Diversity & Inclusion</i>	
- <i>Affirmative Action</i>	
- <i>Consideration of the Use of Disadvantaged Business Enterprises</i>	
- <i>Partner & Staff Continuity</i>	
- <i>Continuing Education of Partners & Staff</i>	
- <i>Planned Use of Outside Specialists</i>	



Table of Contents (Continued)

Specific Audit Approach	44
<ul style="list-style-type: none">- <i>Proposed Segmentation of Audit Engagement and Level of Staff Assigned</i>- <i>Assistance Requested from the Town Staff</i>- <i>High Percentage of Partner and Manager Involvement</i>- <i>Our Request List Management Software - Suralink</i>- <i>Extent of the Use of EDP Software – Including Artificial Intelligence</i>- <i>Sampling Techniques and the Extent to Which Statistical Sampling Will be Used in the Engagement</i>- <i>Type and Extent of Analytical Procedures to be Used in the Engagement</i>- <i>Approach to be Taken to Gain and Document an Understanding of the Town’s Internal Control</i>- <i>Approach to be Taken in Determining Laws and Regulations to be Subject of Audit Test Work</i>- <i>Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance</i>- <i>Methodology to be Used in Performing the “Risk Based” Approach in Determining Major Federal Programs</i>- <i>Remote Audit Approach As Requested</i>	
Additional Information of Value Added Services	59
<ul style="list-style-type: none">- <i>Upcoming GASB Statements</i>- <i>Free Continuing Education for Governmental Clients</i>- <i>Governmental Newsletters</i>- <i>Auditor’s Discussion & Analysis</i>- <i>Mauldin & Jenkins Partner Joel Black Appointed GASB Chairman</i>	
Closing.....	63

Appendix:

A – Audit Proposal Summary Sheet



Transmittal Letter

December 16, 2022

Town of Kiawah Island, South Carolina
Attn: Dorota Szubert, Finance Director
4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455

Ladies and Gentlemen:

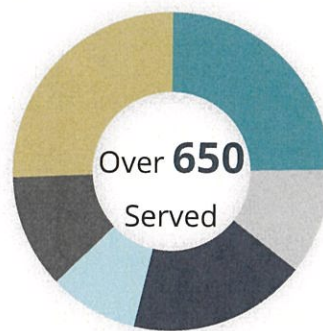
We appreciate the opportunity to propose on providing audit services to the Town of Kiawah Island, South Carolina (the "Town"), and we are pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the Town. The contract for such audit services will be for the fiscal year ending June 30, 2023, with options for annual renewals through fiscal year June 30, 2026.

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


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

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



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

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

- ❖ **Nationally Recognized.** Mauldin & Jenkins is consistently ranked in the Top 100 by various publications as one of the largest certified public accounting firms in the country. We are a regional firm, but the firm's influence is shared nationally. Our partners have volunteered to serve: as the American Institute of CPA's (AICPA's) Governmental Audit Quality Center's (GAQC) Executive Committee in 2022; the AICPA's State and Local Government Expert Panel in 2021; the AICPA's sole representative to Government Accounting Standards Advisory Council (GASAC); the 2015 Chairman of the board of the AICPA; and a board member of the International Federation of Accountants (IFAC) in 2016. In 2020, our own Joel Black was appointed to serve as the Chairman of the Governmental Accounting Standards Board (GASB).  Mauldin & Jenkins is a leader nationally.
- ❖ **Remote Audits and Suralink.** If management elects for a remote audit, Mauldin & Jenkins is very effective in working from a remote environment. We also utilize software, like Suralink, on all audits to add organization and transparency to the audit process.
- ❖ **Information Technology Services.** Mauldin & Jenkins is one of 38 of the top 100 CPA firms in the nation who have invested in the AICPA's new revolutionary audit tool and methodology – the Dynamic Audit Solution (DAS). We also have resources to address the evolving cybersecurity threats to your government with Certified Information Systems Auditors (CISA) on staff and certified by the AICPA to provide cybersecurity advisory services and the newly created cybersecurity assessment.
- ❖ **Staff Continuity.** Our staff retention rates are considered to be among the best in the profession. We are able to not only provide consistency with the partner and manager on our engagement teams, but seniors as well. We also have enough resources at the partner, manager, and senior levels to provide for periodic rotations as requested by our clients.
- ❖ **Education.** Mauldin & Jenkins' clients have the opportunity to register and receive approximately 30 hours of continuing education on an annual basis, free of charge. We take our experience in serving governments, and choose timely and relevant topics to provide ongoing education to our clients, both virtually and in-person. Sessions are limited to clients only.
- ❖ **Responsiveness and Large Firm Resources with Small Firm Sensitivity.** We pride ourselves in responding to the needs of our clients; not only the ability to meet deadlines, but also to respond to other requests. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients. Our resources provide for the flexibility to meet your needs and to perform our services in an efficient and effective manner.

This proposal represents a firm offer for 90 days from the date of the proposal. As a member of Mauldin & Jenkins, David Irwin 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 you to present our proposal and our qualifications. Please contact us at (800) 277-0050. Again, on behalf of Mauldin & Jenkins, thank you for the opportunity to serve.

Sincerely,
MAULDIN & JENKINS, LLC



David Irwin, Partner

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 Town is to determine whether the financial statements present fairly the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective changes in financial position 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; and 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.

Our audit will consider the Town'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*.

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:

- 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 report on Compliance for Each Major Federal Program and on Internal Control Over Compliance required by the Uniform Guidance.
- 4) A Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance.

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 Honorable Mayor and Members of the Town Council
- The Town Attorney
- The Town Administrator
- The Finance Director

Independence

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

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

To further understand the above paragraph, we have not:

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

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

Mauldin & Jenkins has performed the audit for the Town for the past four years. This does not constitute a conflict of interest relative to performing the proposed audit as Mauldin & Jenkins has been, and continues to be, independent of the Town.

We have had no business relationships or made payments to any officer or employee of the governing board members of the Town of Kiawah Island, South Carolina who is or has been in a policy making or significant management position relating to any aspect of the proposed work in the past five years. Our Firm, nor any partner or employee, has made any contributions to any political campaigns of any person serving as a Town Council member of the Town of Kiawah Island, South Carolina. We have made no payments or commitments to make payments to any person, Firm or corporation for services rendered in soliciting business for the Town of Kiawah Island, South Carolina. Written notice will be provided to the




Town provided any professional relationships are entered into with the Town during the period of this agreement.

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

License to Practice in South Carolina


We hereby affirm that Mauldin & Jenkins, LLC is properly registered as a certified public accounting firm licensed to practice in the State of South Carolina by the South Carolina Board of Accounting. Our South Carolina license number is 3408. Additionally, all assigned key professional staff are properly licensed and registered to practice public accounting with the State of South Carolina.



Recently, a client provided a compliment (to a large audience) describing her experience with Mauldin & Jenkins:

“They Speak Our Language”

*Cynthia Wood, Director of Accounting
Charleston (SC) Water System*



Firm Qualifications and Experience

Organization and Size – Regional Firm

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



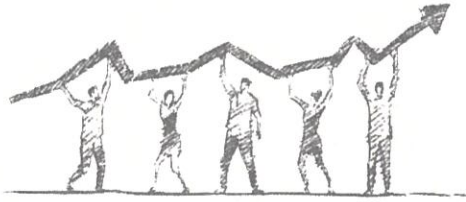
- **Atlanta, GA**
- **Macon, GA**
- **Albany, GA**
- **Savannah, GA**
- **Birmingham, AL**
- **Athens, AL**
- **Florence, AL**
- **Huntsville, AL**
- **Chattanooga, TN**
- **Columbia, SC**
- **Raleigh, NC**
- **Bradenton, FL**
- **Sarasota, FL**

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

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

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

A Century of Service



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

As noted previously, **Mauldin & Jenkins employs 38 partners, directors and managers who dedicate 100% of their time serving government clients.** We also have numerous additional professionals with current experience in providing services to governmental entities, many of whom spend their time exclusively on government clients.

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

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

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

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

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

Quality Control Review

External Peer Review

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



The peer review aspect has evolved from being voluntary to mandatory and Mauldin & Jenkins is in full compliance with the requirements of having a tri-annual review. In the peer reviewer's latest report dated November 12, 2020, our reviewing firm gave a rating of "pass" which is the highest form of assurance they can render on the system of quality control for our accounting and audit practice.

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



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 12, 2020

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

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer and an examination of service organization's SOC 1 engagement.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

PBMares, LLP

PBMares, LLP



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

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



Rotating or Not Rotating Auditors

There are proponents in the governmental sector that believe in changing auditors periodically. The belief is that changing auditors improves audit quality of an audit by providing a “fresh look”.

Recognizing this proposal is a rebid of financial and compliance audit services currently provided by Mauldin & Jenkins to the Town and the possibility that governing board members and evaluation team members may believe it to be prudent to rotate auditors on a periodic basis, we would like to offer the following actual headline and article which was posted on the AICPA’s Center for Audit Quality website:



**CENTER
FOR AUDIT
QUALITY**

Accounting Today reports that a new academic paper calls mandatory audit firm rotation into question. Based on a complex experiment involving students who did not even know they were playing the role of auditors, **the study concludes that mandatory rotation could inhibit professional skepticism rather than encourage skepticism.**

“Professional skepticism requirements are intended to elevate auditors’ skepticism of their clients and, ultimately, audit quality,” the study says. **“This benefit disappears and even reverses when auditors rotate.** That is, rotation and a skeptical mindset interact to the detriment of audit effort and financial reporting quality.”

The study argues that auditors who are subject every few years to mandatory rotation feel less confident about their ability to audit a new client. “Rotating auditors, aware that they will not be in a long-term relationship, will...likely perceive themselves to be less competent in evaluating the honesty or dishonesty of the [corporate] manager relative to auditors who do not rotate.” As a result, **“rotating auditors would find it difficult to garner psychological support for the probability of manager dishonesty, leading them to be less likely to choose high levels of audit effort than non-rotating auditors.”**

The above conceptual thoughts as researched and issued by ***Accounting Today*** and the AICPA Audit Quality Center are considered to be relevant to all certified public accounting firms. We tend to agree with the thoughts communicated herein by the AICPA’s Center for Audit Quality. That being said, if you feel differently from the conceptual thoughts communicated above, and that a rotation of auditors is necessary, it is important to note that Mauldin & Jenkins has substantial people resources, and can accommodate a change in: 1) lead partner, 2) quality assurance partner, 3) audit staff, and 4) office, should the Town believe such changes are necessary.

Desk Reviews or Field Reviews

Mauldin & Jenkins audits most of the largest school districts in the State of Georgia. Based on that fact, the State of Georgia's Department of Audits & Accounts (DoAA) periodically performs a review of a sample of our local school district audits. No report has ever been formally issued, and no matters or issues have ever been noted by this annual effort.

As part of the review process, the DoAA has asked to send teams of auditors to review our workpapers in their own effort to better approach financial and compliance audits from a risk based perspective.

With the exception of the above paragraph's thoughts, Mauldin & Jenkins has not had a federal or state desk review or field review of its audits during the past three years.

Regarding one of our past Federal desk reviews or field reviews, we would like to provide the following details of that review, as we believe its results further distinguish Mauldin & Jenkins from other firms.

As part of the Federal Department of Education's random testing of the audits of local boards of education, a review was performed by the Federal Office of Inspector General (OIG) regarding a Single Audit engagement of a local board of education. We are quite pleased to note the examiner provided Mauldin & Jenkins a letter of high marks for the performance of the respective Single Audit and this comes at a time when Federal regulators are condemning the profession for poor performance of such Single Audits. **Unofficially and orally provided, the examiner noted this Single Audit engagement to be the best such engagement reviewed in his experience.**

We at Mauldin & Jenkins are quite proud of our Firm's governmental practice and appreciate the efforts of state and Federal inspectors and examiners, and their kind words of our doing things right and doing the right things in our attestation engagements.

No Disciplinary Actions

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

In the six years that I've gone through internal and external audits this has been by far the best experience with auditors. Your personalities make a huge difference and we haven't regretted changing auditors.

**Crystal Coleman,
Edgefield County (SC),
Former Finance
Director**

Similar Engagements with Other Governmental Entities

Client Transitions

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



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

We accomplish successful transitions by taking the following ten steps:

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

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

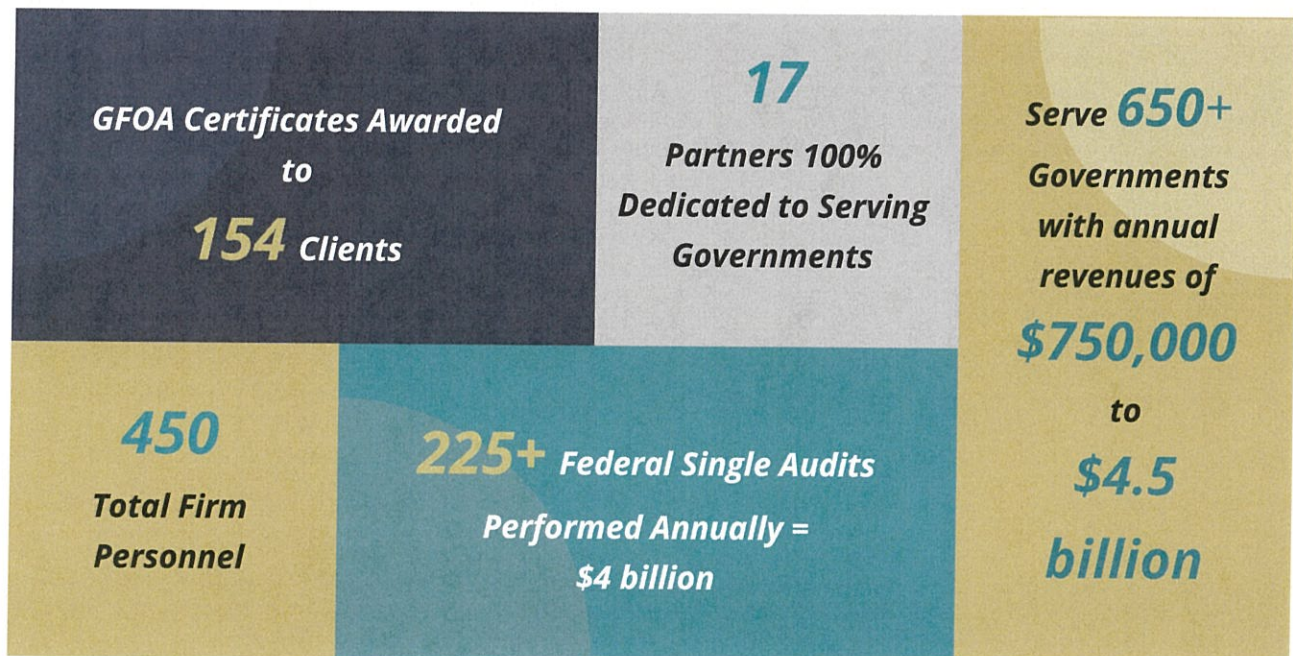
Clay Duffie, Mount Pleasant (SC) Waterworks, General Manager

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

Governments Served in the Past Three Years

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

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





- 155) Bristol
- 156) Clarksville
- 157) Jamestown
- 158) Jackson
- 159) Spring Hill

36) Morgan
37) Newton
38) Paulding
39) Rockdale
40) Spalding
41) Stephens
42) Stewart
43) Tattnall
44) Taylor
45) Toombs
46) Troup
47) Turner



48) Walton
49) Whitfield

Florida

50) Hernando
51) Union

North Carolina

52) Columbus
53) Gates
54) Green

55) Halifax
56) Madison
57) Montgomery
58) Moore
59) Orange
60) Wake

South Carolina

61) Beaufort
62) Berkeley
63) Calhoun

64) Colleton
65) Darlington
66) Dorchester
67) Edgefield
68) Fairfield
69) Florence
70) Greenville
71) Hampton
72) Horry
73) Lancaster
74) Laurens

75) Oconee
76) Richland
77) Sumter

Tennessee

78) Hamilton

Alabama

79) Jefferson

State Governmental Entities. States have many entities as part of financial reporting: agencies, departments, colleges, university foundations, and other component units that are audited. Please see the following for a listing of State governmental entities we have served in the past three years:

- 1) Abraham Baldwin Agri. College Foundation
- 2) Aiken Technical College
- 3) Athens State University, AL
- 4) Central Carolina Technical College
- 5) College of Coastal Georgia Foundation
- 6) Denmark Technical College
- 7) Francis Marion University
- 8) Ga. Building Authority (GBA)
- 9) Ga. Business Success Center
- 10) Ga. College & State Univ. Foundation
- 11) Ga. Dept. of Economic Development
- 12) Ga. Education Authority
- 13) Ga. Environmental Finance Auth. (GEFA)
- 14) Ga. Higher Education Assistance Corp.
- 15) Ga. Higher Education Facilities Authority
- 16) Ga. Highlands College Foundation
- 17) Ga. Lottery Corporation (LOTTO)
- 18) Ga. Military College Foundation
- 19) Ga. Ports Authority (GPA)
- 20) Ga. Southern Univ. Athletic Foundation
- 21) Ga. Southern Univ. Foundation
- 22) Ga. State Financing & Investment Com. (GSFIC)
- 23) Ga. State Univ. Athletic Foundation
- 24) Ga. State Univ. Foundation
- 25) Ga. Student Finance Authority (GSFA)
- 26) Ga. Superior Court Clerk's Cooperative Auth.
- 27) Ga. Technology Authority
- 28) Ga. World Congress Center Authority
- 29) Jacksonville State University, AL
- 30) University of Chattanooga Foundation
- 31) Trident Technical College
- 32) Kennesaw State Univ. Athletic Department
- 33) Kennesaw State Univ. Athletic Foundation
- 34) Kennesaw State Univ. Research Foundation
- 35) Kennesaw State Univ. Foundation
- 36) Medical College of Georgia Foundation
- 37) Mississippi College of Georgia Foundation
- 38) New College of Florida
- 39) Northeastern Technical College
- 40) Northwest Florida College Foundation
- 41) Polytechnic Foundation of Kennesaw State Univ.
- 42) REACH Georgia (of the GSFC)
- 43) South Carolina Transportation Infrastructure Bank
- 44) South Carolina Infrastructure Bank
- 45) South Carolina Insurance Reserve Fund
- 46) South Carolina Department of Transportation
- 47) South Carolina Jobs-Economic Development Auth
- 48) Southern Polytechnic Applied Research Foundation
- 49) State College of Florida Sarasota-Manatee
- 50) Stone Mountain Memorial Association
- 51) Tri County Technical College
- 52) University of North Alabama
- 53) University of North Georgia Foundation
- 54) University of West Alabama
- 55) University of West Georgia Foundation
- 56) University System of Georgia
- 57) Williamsburg Technical College



School Systems. Boards of Education we have served within the past three years:

Georgia

- | | | |
|--------------------------------|-------------------------------------|---|
| 1) Atlanta Independent Schools | 30) Glynn County Schools | 60) White County Schools |
| 2) Bartow County Schools | 31) Gordon County Schools | |
| 3) Bibb County Schools | 32) Greene County Schools | Alabama |
| 4) Buford City Schools | 33) Griffin-Spalding County Schools | 61) Athens City Schools |
| 5) Butts County Schools | 34) Gwinnett County Schools | |
| 6) Camden County Schools | 35) Habersham County Schools | Florida |
| 7) Carroll County Schools | 36) Hancock County Schools | 62) Highland County Schools |
| 8) Carrollton City Schools | 37) Harris County Schools | 63) Manatee County Schools |
| 9) Cartersville City Schools | 38) Henry County Schools | 64) Lee County Schools |
| 10) Clayton County Schools | 39) Jefferson City Schools | |
| 11) Cobb County Schools | 40) Laurens County Schools | South Carolina |
| 12) Colquitt County Schools | 41) Lumpkin County Schools | 65) Beaufort County Schools |
| 13) Commerce City Schools | 42) Marietta City Schools | 66) Berkeley County School District |
| 14) Coweta County Schools | 43) Marion County Schools | 67) Clarendon Co. School Dist. 1 |
| 15) Dawson County Schools | 44) Oconee County Schools | 68) Colleton County Schools |
| 16) Decatur City Schools | 45) Paulding County Schools | 69) Florence School Dist. 1 |
| 17) DeKalb County Schools | 46) Peach County Schools | 70) Florence School Dist. 3 |
| 18) Dodge County Schools | 47) Pickens County Schools | 71) Horry County Schools |
| 19) Dougherty County Schools | 48) Polk County Schools | 72) Marlboro County Schools |
| 20) Douglas County Schools | 49) Putnam County Schools | 73) Orangeburg County School District |
| 21) Dublin City Schools | 50) Rockdale County Schools | 74) Richland Co. School Dist. 1 |
| 22) Effingham County Schools | 51) Rome City Schools | 75) South Carolina Public Charter School District |
| 23) Emanuel County Schools | 52) Savannah-Chatham Co. Schools | 76) Sumter County Schools |
| 24) Fannin County Schools | 53) Stephens County Schools | |
| 25) Fayette County Schools | 54) Thomas County Schools | |
| 26) Floyd County Schools | 55) Troup County Schools | |
| 27) Forsyth County Schools | 56) Twiggs County Schools | |
| 28) Fulton County Schools | 57) Union County Schools | Tennessee |
| 29) Gilmer County Schools | 58) Walton County Schools | 77) Bristol City Schools |
| | 59) Ware County Schools | 78) Hamilton County Schools |

Charter School Systems. Charter schools we have served within the past three years:

- | | |
|--|---|
| 1) Academy for Classical Education (ACE) | 21) KIPP South Fulton Academy |
| 2) Atlanta Heights Charter Academy | 22) Lighthouse Academies |
| 3) Brookhaven Innovation Academy | 23) Manatee School of Arts & Sciences |
| 4) Coastal Empire Montessori Academy | 24) Montessori School of Camden, SC |
| 5) Cherokee Charter Academy | 25) NW Florida St. College – Collegiate High School |
| 6) Coweta Charter Academy | 26) Pataula Charter Academy |
| 7) East Point Academy of South Carolina | 27) Phoenix Center Community Service Board |
| 8) Florida School for the Deaf and Blind | 28) Provost Academy of Georgia |
| 9) Furlow Charter School | 29) School for Arts Infused Learning |
| 10) Georgia Connections Academy | 30) Scintilla Charter Academy |
| 11) Georgia School for Innovation & Classics | 31) SKY Academy Englewood |
| 12) Gwinnett County BOE Charter Schools | 32) SKY Academy Venice |
| 13) Gwinnett Online Campus | 33) SLAM Academy |
| 14) Graduation Achievement Charter High School | 34) Spring Creek Charter Academy |
| 15) International Charter Academy of Georgia | 35) SW Georgia STEM Charter School |
| 16) International Community School | 36) St. Petersburg Collegiate High School |
| 17) Just for Girls Academy | 37) Susie King Taylor Community School |
| 18) Kendezi School | 38) Troup County College & Career Academy |
| 19) KIPP Metro Atlanta Collaborative | 39) Tybee Island Maritime Academy |
| 20) KIPP Opportunity Fund | |



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

Water/Sewer & Electric Utility

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

- 42) Peace River/Manasota Reg. Water Supply Auth.
- 43) Peachtree City Water & Sewerage Authority
- 44) Polk County Water Authority
- 45) Susanville Sanitary District
- 46) Seacoast Utility Authority
- 47) Section Waterworks
- 48) Tampa Bay Water Authority
- 49) Waterworks & Sewer Board of the Town of Parrish
- 50) Warren County Utility District
- 51) Crisp County Power Commission
- 52) Electric Power Board of Chattanooga, TN
- 53) Emerald Coast Utilities Authority
- 54) Greer Commission of Public Works

Airports

- 55) Atlanta Hartsfield-Jackson International Airport
- 56) Augusta-Richmond County Regional Airport
- 57) Charleston County Aviation Authority
- 58) Glynn County Airport Commission
- 59) Gwinnett Airport Authority
- 60) Halifax-Northampton Regional Airport Authority
- 61) Paulding County Airport Authority
- 62) Walterboro-Colleton County Airport Commission

Transit

- 63) Birmingham-Jefferson County Transit Authority
- 64) Chatham Area Transit Authority
- 65) Chattanooga Area Reg. Transportation Authority
- 66) Jackson Transit Authority, TN
- 67) Lakeland Area Mass Transit District
- 68) Lowcountry Regional Transit Authority
- 69) Macon Transit Authority
- 70) Pee Dee Regional Transit Authority
- 71) Santee Wateree Regional Transit Authority
- 72) South Florida Regional Transportation Authority
- 73) Waccamaw Regional Transportation Authority

Gas

- 74) Athens Gas Utility
- 75) Austell Natural Gas System
- 76) Natural Gas Acquisition Corp.

Other Governments. Other governmental entities we have audited within the past three years:

- 1) Alabama Elk River Development Agency
- 2) Albany - Dougherty Inner City Authority
- 3) Albany - Dougherty County Land Bank
- 4) Amelia Island Convention & Visitors Bureau
- 5) Amelia Island Mosquito District
- 6) Allendale County Hospital
- 7) Athens Limestone Hospital
- 8) Athens Limestone Industrial Development Board
- 9) Athens Limestone Landfill
- 10) Atlanta Firefighters Pension Plan
- 11) Atlanta General Employees' Pension Plan
- 12) Atlanta Police Pension Plan
- 13) Atlanta Development Authority
- 14) Atlanta Economic Renaissance Corporation
- 15) Atlanta Housing Opportunity
- 16) Avita Community Partners
- 17) Bayshore Gardens Park & Recreation District
- 18) Berkeley County Water & Sanitation
- 19) Bradenton Downtown Development Authority
- 20) Bristol Development Board
- 21) Bristol Essential Services
- 22) Bristol Public Library
- 23) Camden County Public Service Authority
- 24) Captiva Erosion Prevention District
- 25) Central Community Redevelopment Agency
- 26) Central Georgia Joint Development Authority



- 27) Central Midlands Council of Govts.
- 28) Central Savannah River Area Regional Comm.
- 29) Charleston Co. Parks & Recreation Authority
- 30) Chatham County Jail Complex
- 31) Chatham County Tax Commissioner
- 32) Chatham County-Savannah Metro Planning Comm.
- 33) Chattahoochee River 911 Authority
- 34) Chattanooga Area Regional Council of Govts.
- 35) Citrus County Mosquito District
- 36) City of Albany- Chehaw Park Authority
- 37) City of East Point Retirement Plan
- 38) City of Sandy Springs Development Authority
- 39) Classic Center Auth. of Clarke County
- 40) Clayton Center Community Service Board
- 41) Clayton Co. Pension Fund
- 42) Clayton Co. Sheriff's Office
- 43) Coastal Heritage Society
- 44) Cobb Center Community Service Board
- 45) Cobb County-Marietta Water Auth. Pension
- 46) Colleton County Commission on Drug & Alcohol Abuse
- 47) Columbia Development Corp.
- 48) Columbia Empowerment Zone
- 49) Columbia Housing Development Corp.
- 50) Community Housing Services Agency (CHSA)
- 51) Convention and Visitors Bureau of Dunwoody
- 52) Crisp Co.- Cordele Industrial Development Authority
- 53) Crisp Co.- Cordele Industrial Development Council
- 54) Decide DeKalb
- 55) DeKalb County Public Library
- 56) Dev. Auth. of City of Jeffersonville & Twiggs Co.
- 57) Development Authority of City of Roswell
- 58) Development Authority of Lumpkin County
- 59) Development Authority of Peachtree City
- 60) Development Authority of Warner Robins
- 61) Disabilities Board of Charleston County
- 62) Downtown Atlanta Revitalization
- 63) East Alabama Regional Planning & Development Comm
- 64) Eau Development Corporation
- 65) E.G. Fisher Public Library
- 66) Ensor Forest Apartments
- 67) Fayette County Development Authority
- 68) Fifth Circuit Solicitor of Richland County
- 69) Foundation for the Mental Health Center of NC Alab
- 70) Forsyth County Public Library
- 71) Friends of Bulloch
- 72) Georgia Charter Educational Foundation
- 73) Georgia Mountains Regional Commission
- 74) Georgia Pines Community Service Board
- 75) Georgia Ports Auth. DB & OPEB Plan
- 76) Georgia Ports Auth. Defined Contribution Plan
- 77) Griffin Spalding County Land Bank Authority
- 78) Gwinnett Civic/Cultural Center Operations
- 79) Gwinnett Convention and Visitors Bureau
- 80) Gwinnett County Development Authority
- 81) Gwinnett County Public Facilities Authority
- 82) Gwinnett County Public Library
- 83) Gwinnett County Recreation Authority
- 84) Hallandale Beach CRA
- 85) Halifax County Tourism Development Authority
- 86) Hardee County Industrial Development Authority
- 87) Heart of Georgia Altamaha Regional Commission
- 88) Historic Roswell Convention & Visitors Bureau
- 89) Hospital Authority of St. Marys
- 90) Housing Authority of Clayton County
- 91) Houston County Library System
- 92) Islamorada, City of Islands, Florida
- 93) Jefferson Co. Economic and Industrial Dev Authority
- 94) Keep Peachtree City Beautiful Commission
- 95) Kennesaw State University Athletic Department
- 96) Lamar County Recycling Authority
- 97) Lawrence County Health Care Authority
- 98) Legacy Community Health Services
- 99) Liberty Consolidated Planning Commission
- 100) Liberty County Development Authority
- 101) Live Oak Public Library
- 102) Lumpkin County Hospital Authority
- 103) Macon-Bibb County Land Bank Authority
- 104) Madison Tourism Development Authority
- 105) Manatee County Mosquito Control Dist.
- 106) Manatee Technical Institute
- 107) MARTA/ATU Local 732 Employees Retirement
- 108) McIntosh Trail Community Service Board
- 109) McMinn County Library
- 110) McPherson Implementing Local Redev. Authority
- 111) McPherson Planning Local Redevelopment Authority
- 112) Mental Health Center of North Central Alabama
- 113) Meriwether County Industrial Development Authority
- 114) Metropolitan Planning Commission (MPC)
- 115) Miami Beach Employees Retirement Plan
- 116) Middle Flint Regional E-911 Authority
- 117) Middle Georgia Community Service Board
- 118) Milledgeville-Baldwin County Dev. Authority
- 119) Moore County Airport Authority
- 120) Moore County Convention & Visitors Bureau
- 121) NE Corridor, LLC
- 122) Newton County Industrial Development Auth
- 123) North Charleston District
- 124) North Fulton Regional Radio Authority
- 125) Northeast Georgia Regional Commission
- 126) Northwest Florida State College Foundation
- 127) North Port Fire Pension
- 128) North Port Police Pension
- 129) Ocean Highway and Port Auth. of Nassau County
- 130) Oconee Center Community Service Board
- 131) Orangeburg Co. Dept. of Disabilities & Special Needs
- 132) Palm Bay Police & Fire Pension Plan
- 133) Palm Beach Gardens Firefighters Pension
- 134) Pathways Center Community Service Board
- 135) Paulding County Industrial Development Authority
- 136) Peace River/Manasota Regional Water Supply Authority
- 137) Peachtree City Convention & Visitor's Bureau
- 138) Phoenix Center Community Service Board
- 139) Pooler Chamber of Commerce
- 140) Port Authority of Corpus Christi & Nueces County
- 141) Private Colleges and Universities Authority
- 142) Public Bldg. Auth. of Knox Co. & City of Knoxville
- 143) Redevelopment Agency of Warner Robins
- 144) Richland County Libraries
- 145) Riverdale Downtown Development Authority
- 146) River's Edge Community Service Board
- 147) Saluda Nursing Center
- 148) Sandy Springs Hospitality Board
- 149) Santee-Lynches Reg. Council of Governments
- 150) Santee-Lynches Reg. Development Corp.
- 151) Sarasota General Employees' Pension
- 152) Sarasota Firefighters Pension
- 153) Sarasota Police Officers Pension
- 154) Savannah Chatham County Land Bank Authority
- 155) Savannah Development & Renewal Authority
- 156) Seabrook Island Utility Commission
- 157) Seacoast Utility Authority
- 158) Serenity Behavioral Health Systems
- 159) South Carolina Centers of Economic Excellence
- 160) South Island Public Service District



- 161) SOWEGA Council on Aging
- 162) Toccoa-Stephens County Public Library
- 163) Trailer Estates (FL)
- 164) Two Notch Development Corp.

- 165) Tybee Island Maritime Academy
- 166) Vidalia Onion Committee
- 167) Walterboro-Colleton County Airport Commission

Water & sewer operations. Below is a listing of water/sewer operations we have served within the past three years:

- | | | |
|--------------------------------|----------------------------|---|
| 1) Athens-Clarke County | 49) City of Long Boat Key | 97) Richland County, SC |
| 2) Augusta-Richmond Co. | 50) City of Marco Island | 98) Rockdale County |
| 3) Calhoun County | 51) City of Milledgeville | 99) Spalding County |
| 4) Chatham County | 52) City of Monroe | 100) Taylor County |
| 5) City of Aiken | 53) City of Naples | 101) Walton County |
| 6) City of Albany | 54) City of North Augusta | 102) Barrow Co. Water & Sewer Auth. |
| 7) City of Americus | 55) City of North Port | 103) Bristol Joint Sewer System |
| 8) City of Arcadia | 56) City of Palmetto | 104) Brunswick - Glynn Joint Water & Sewer Comm. |
| 9) City of Athens, AL | 57) City of Perry | 105) Chatsworth Water Works Comm. |
| 10) City of Ball Ground | 58) City of Plant City | 106) Clayton Co. Water & Sewer Auth. |
| 11) City of Bloomingdale | 59) City of Pooler | 107) Cobb Co. - Marietta Water Auth. |
| 12) City of Bradenton | 60) City of Port Wentworth | 108) Eatonton-Putnam Water & Sewer Auth. |
| 13) City of Brunswick | 61) City of Powder Springs | 109) Gladeville Utility District |
| 14) City of Byron | 62) City of Richmond Hill | 110) Gwinnett Co. Water & Sewerage Auth. |
| 15) City of Callaway | 63) City of Rock Hill, SC | 111) Hamilton Co. Water & Wastewater Treatment Department |
| 16) City of Canton | 64) City of Rockmart | 112) Henry Co. Water Authority |
| 17) City of Cartersville | 65) City of Rome | 113) Lumpkin Co. Water & Sewerage Auth. |
| 18) City of Cayce, SC | 66) City of Roswell | 114) Macon Water Authority |
| 19) City of Clarksville | 67) City of Savannah | 115) Newton Co. Water & Sewerage Auth. |
| 20) City of Clemson, SC | 68) City of St. Marys | 116) Peace River/Manasota Reg. Water Supply Auth. |
| 21) City of Clover | 69) City of Stockbridge | 117) Peachtree City Water & Sewerage Auth. |
| 22) City of College Park | 70) City of Suwanee | 118) Polk Co. Water Authority |
| 23) City of Conyers | 71) City of Thomasville | 119) Middle Chattahoochee Regional Water & Sewer Auth. |
| 24) City of Cooper City | 72) City of Thunderbolt | 120) Tampa Bay Water Auth. |
| 25) City of Cordele | 73) City of Tifton | 121) Town of Black Mountain, NC |
| 26) City of Covington | 74) City of Toccoa | 122) Town of Chapin, SC |
| 27) City of Crystal River | 75) City of Tuscaloosa | 123) Town of Hemingway, SC |
| 28) City of Fairburn | 76) City of Tybee Island | 124) Town of Pamplico, SC |
| 29) City of Fayetteville | 77) City of Union City | 125) Town of Selma, NC |
| 30) City of Fernandina | 78) City of Valdosta | 126) Village of Tequesta |
| 31) City of Ft. Myers Beach | 79) City of Villa Rica | |
| 32) City of Garden City | 80) City of Wildwood | |
| 33) City of Goose Creek | 81) Columbia Co. | |
| 34) City of Griffin | 82) Crisp County | |
| 35) City of Gulfport | 83) DeKalb County | |
| 36) City of Haines City | 84) Floyd County | |
| 37) City of Hendersonville, NC | 85) Forsyth County | |
| 38) City of Hinesville | 86) Gates County, NC | |
| 39) City of Islamorada | 87) Halifax County, NC | |
| 40) City of Jackson | 88) Lee County | |
| 41) City of Jamestown | 89) Liberty County | |
| 42) City of Jefferson | 90) Lincoln County | |
| 43) City of Johnsonville | 91) McIntosh County | |
| 44) City of Kingsland | 92) Mitchell County | |
| 45) City of Lagrange | 93) Montgomery County, NC | |
| 46) City of Lake Placid | 94) Monroe County | |
| 47) City of Lawrenceville | 95) Orange County | |
| 48) City of Leesburg | 96) Paulding County | |



Gas operations. Below is a listing of gas operations served within the past three years:

- | | |
|-------------------------------|---------------------------|
| 1) Athens-Clarke County | 12) City of Lagrange |
| 2) Austell Natural Gas System | 13) City of Lawrenceville |
| 3) Barrow County | 14) City of Pensacola |
| 4) City of Albany | 15) City of Rock Hill, SC |
| 5) City of Americus | 16) City of Social Circle |
| 6) City of Cartersville | 17) City of Thomasville |
| 7) City of Clarksville | 18) City of Tifton |
| 8) City of Cordele | 19) City of Toccoa |
| 9) City of Covington | |
| 10) City of Jackson, TN | |
| 11) City of Jamestown | |

Electric operations. Below is a listing of electrical operations served within the past three years:

- | | |
|-------------------------------|---|
| 1) Bristol Essential Services | 10) City of Lawrenceville |
| 2) City of Albany | 11) City of Monroe |
| 3) City of Cartersville | 12) City of Rock Hill, SC |
| 4) City of Clarksville | 13) City of Thomasville |
| 5) City of Clewiston | 14) Crisp County Power Commission |
| 6) City of College Park | 15) Electric Power Board of Chattanooga |
| 7) City of Fairburn | 16) Emerald Coast Utilities Authority |
| 8) City of Griffin | 17) Town of Selma, NC |
| 9) City of Lagrange | |

Transit operations. Below is a listing of transit operations served within the past three years:

- | | |
|-----------------------------------|---|
| 1) Chatham Area Transit Authority | 9) Birmingham-Jefferson County Transit Auth. |
| 2) City of Albany | 10) Chattanooga Area Regional Transp. Auth. |
| 3) City of Clarksville | 11) Lakeland Area Mass Transit District |
| 4) City of Clemson, SC | 12) Macon Transit Authority |
| 5) City of Hinesville | 13) Polk Transit Authority |
| 6) City of Huntsville, AL | 14) South Florida Regional Transportation Auth. |
| 7) City of Jackson | 15) Whitfield Transit |
| 8) City of Rock Hill, SC | |

Airport operations. Below is a listing of airport operations served within the past three years:

- | | |
|---|---|
| 1) Athens-Clarke County | 14) Darlington County, SC |
| 2) Augusta-Richmond County Regional Airport | 15) DeKalb County |
| 3) Barrow County | 16) Floyd County |
| 4) Beaufort Co., SC - City of Hilton Head | 17) Glynn County Airport Commission |
| 5) Beaufort Co., SC - Lady's Island | 18) Gwinnett Airport Authority |
| 6) City of Aiken | 19) Henry County |
| 7) City of Albany | 20) Lancaster Co., SC |
| 8) City of Covington | 21) Macon-Bibb Co. - Downtown Airport |
| 9) City of Fernandina | 22) Macon-Bibb Co. - Mid.Ga. Regional Airport |
| 10) City of Griffin | 23) Oconee Co., SC |
| 11) City of Jamestown | 24) Paulding County Airport Authority |
| 12) City of Orangeburg, SC | 25) Walterboro-Colleton County Airport Commission |
| 13) City of Pensacola | |

Certificates of Achievement & Excellence in Financial Reporting



Mauldin & Jenkins has served **over 650 governments** in the past several years, and **154** governmental units who obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting (and, or the ASBO's Certificate of Excellence in Financial Reporting).



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

Counties:

- | | |
|----------------------|------------------------|
| 1) Athens-Clarke | 31) Rockdale |
| 2) Augusta-Richmond | 32) Spalding |
| 3) Barrow | 33) Walton |
| 4) Beaufort, SC | 34) Whitfield |
| 5) Cartersville | |
| 6) Chatham | <u>Cities:</u> |
| 7) Clayton | 35) Aiken, SC |
| 8) Colleton, SC | 36) Albany |
| 9) Columbus-Muscogee | 37) Alpharetta |
| 10) DeKalb | 38) Americus |
| 11) Douglas | 39) Apopka, FL |
| 12) Edgefield, SC | 40) Austell |
| 13) Floyd | 41) Ball Ground |
| 14) Forsyth | 42) Beaufort, SC |
| 15) Glynn | 43) Black Mountain, NC |
| 16) Greenville, SC | 44) Bluffton, SC |
| 17) Gwinnett | 45) Bradenton, FL |
| 18) Halifax, NC | 46) Bristol, TN |
| 19) Hamilton, TN | 47) Brookhaven |
| 20) Henry | 48) Brunswick |
| 21) Jackson | 49) Callaway, FL |
| 22) Lancaster, SC | 50) Cartersville |
| 23) Liberty | 51) Cayce, SC |
| 24) Macon-Bibb | 52) Chamblee |
| 25) Morgan | 53) Charleston, SC |
| 26) Newton | 54) Chamblee |
| 27) Oconee, SC | 55) Chapin, SC |
| 28) Orange, NC | 56) Clarksville, TN |
| 29) Paulding | 57) Clemson, SC |
| 30) Richland, SC | 58) College Park |
| | 59) Conyers |

Boards of Education:

- 121) Atlanta Public Schools
- 122) Beaufort County Schools
- 123) Bibb County Schools
- 124) Cartersville City Schools
- 125) Cobb County Schools
- 126) Fayette County Schools
- 127) Fulton County Schools
- 128) Gwinnett County Schools
- 129) Horry County Schools
- 130) Lee County School District
- 131) Marietta City Schools
- 132) Richland Co. School District One
- 133) Savannah-Chatham County Schools

- | | |
|------------------------|-------------------------|
| 60) Cooper City, FL | 91) Naples, FL |
| 61) Covington | 92) N. Augusta, SC |
| 62) Decatur | 93) N. Charleston, SC |
| 63) Douglasville | 94) North Port, FL |
| 64) Dunwoody | 95) Peachtree City |
| 65) Fayetteville | 96) Pensacola, FL |
| 66) Fairburn | 97) Perry |
| 67) Forest Park | 98) Pinecrest, FL |
| 68) Garden City | 99) Plant City, FL |
| 69) Griffin | 100) Pooler |
| 70) Gulfport, MS | 101) Port Wentworth |
| 71) Haines City, FL | 102) Powder Springs |
| 72) Hallandale Bch, FL | 103) Richmond Hill |
| 73) Hapeville | 104) Riverdale |
| 74) Hardeeville, SC | 105) Rockmart |
| 75) Hendersonville, NC | 106) Rome |
| 76) Hinesville | 107) Roswell |
| 77) Holly Springs | 108) St. Marys |
| 78) John's Creek | 109) Sandy Springs |
| 79) Kennesaw | 110) Savannah |
| 80) Kiawah Island | 111) Social Circle |
| 81) Kingsland | 112) Stockbridge |
| 82) Marco Island, FL | 113) Suwanee |
| 83) Lagrange | 114) Thunderbolt |
| 84) Lawrenceville | 115) Tarpon Springs, FL |
| 85) Longboat Key, FL | 116) Thomasville |
| 86) Milledgeville | 117) Tuscaloosa, AL |
| 87) Milton | 118) Union City |
| 88) Monroe | 119) Valdosta |
| 89) Morrow | 120) Villa Rica |
| 90) Mount Pleasant, SC | |

State Governmental Entities:

- 134) Ga. Environ. Fin. Auth. (GEFA)
- 135) Ga. Ports Authority

Other Governmental Entities:

- 136) Beaufort Jasper Water & Sewer Authority
- 137) Cape Fear Public Utility Authority
- 138) Central Savannah River Area Regional Comm.
- 139) Charleston Water System
- 140) Clayton County Water Authority
- 141) Cobb County - Marietta Water Authority
- 142) Emerald Coast Utilities Authority
- 143) Greenville Water System
- 144) Greenwood Commissioners of Public Works
- 145) Greer Commission of Public Works
- 146) Henry County Water Authority

147) Lowcountry Regional Transportation Authority
148) Macon Water Authority
149) Mount Pleasant Waterworks
150) North Charleston Sewer District
151) Port of Corpus Christi Authority

152) Public Building Authority of Knox Co. & Knoxville
153) South Florida Transportation Authority
154) Tampa Bay Water Authority

Client Testimony on Results of 1st Attempt. *"We received the Certificate of Achievement from GFOA this week. This was a team effort and I want to share with you how much I appreciate you and the rest of the staff from Mauldin & Jenkins. You have an excellent team and should be very proud of them. I look forward to continuing our relationship in the future."*

Tim Schroer, Augusta - Richmond Co. (GA), Assistant Director of Finance

PAFR Experience

The GFOA established the Popular Annual Financial Report (PAFR) Awards Program in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce a high quality PAFR. PAFR's are specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The GFOA's award program recognizes individual governments that are successful in achieving that goal.

Mauldin & Jenkins currently serves numerous local governments who prepare a PAFR on an annual basis. We assist our clients in planning, developing and reviewing their PAFR's, and believe such deliverables to be extremely valuable to governments communicating their finances to the general public.

Should the Town be interested in preparing such a report, we would enjoy the opportunity to assist.

Municipal Bond Experience

In case the Town plans to issue and refund bonds in the coming years, we have elected to share with the Town some of our experience in the municipal bond area of auditing and financial reporting.

Please see our qualifications regarding our bond program auditing experience within the past three years. Such qualifications include our auditing municipal bond programs with at least \$75 million of outstanding bonded debt for which much of the debt has been issued in the past three years, and we have issued numerous consent letters and comfort letters as part of the overall service to our governmental clients during the issuance of such bonded debt. As part of such a large government client base, Mauldin & Jenkins serves 47 clients who meet the above criteria.

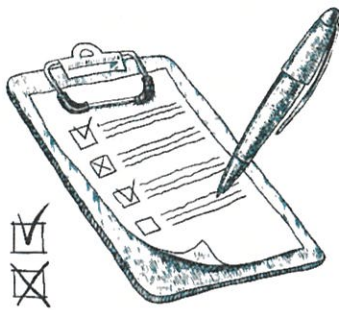
Additionally, we audit the Georgia State Finance and Investment Commission (GSFIC) who has issued several billions of general obligation bonds on behalf of the State of Georgia.



Please see the following list for a sample of clients we have performed bond procedures, and, or audited the financial statements for in the past three years whose publicly issued debts are in excess of \$75,000,000.

Governmental Entity		Amount	Governmental Entity		Amount
1	Jefferson County	\$ 2,512,564,000	25	City of Marco Island	173,000,000
2	South Car. Transportation Infrastructure Bank	1,408,180,000	26	City of Sandy Springs	172,230,000
3	Gwinnett County Board of Education	1,171,193,000	27	Charleston County Airport District	172,000,000
4	DeKalb County	1,051,950,000	28	City of College Park	165,683,000
5	Tampa Bay Water	988,700,000	29	Atlanta Development Authority	164,277,000
6	City of Huntsville	738,933,000	30	City of Savannah	151,712,000
7	Gwinnett County	727,267,000	31	Henry County Water & Sewer Authority	151,021,000
8	Charleston Water System	605,734,000	32	Douglas County Board of Education	132,690,000
9	Augusta-Richmond County	549,068,000	33	Clayton County Water Authority	130,018,000
10	Richland County School District 1	408,840,000	34	City of Charleston	126,518,000
11	Forsyth County	396,049,000	35	City of Alpharetta	120,985,000
12	Emerald Coast Utilities Authority	378,200,000	36	Macon-Bibb County	111,774,000
13	Henry County Board of Education	370,827,000	37	Columbus Consolidated Government	109,870,000
14	Hamilton County, Tennessee	360,180,000	38	South Carolina Dept. of Transportation	109,839,000
15	Forsyth County Board of Education	359,256,000	39	Islamorada, Village of Islands	99,900,000
16	Richland County	342,177,000	40	Rockdale County	93,346,000
17	Paulding County	312,923,000	41	Clayton County	86,864,000
18	Electric Power Board of Chattanooga	280,000,000	42	City of Hallandale Beach	85,400,000
19	GA. Higher Education Facilities Auth. (GHEFA)	232,019,000	43	Sumter School District	80,000,000
20	Beaufort County	218,159,000	44	Orange County, North Carolina	78,429,000
21	Athens-Clarke County	214,831,000	45	Macon Water Authority	76,806,000
22	City of Decatur	179,959,000	46	Atlanta Public Schools	76,740,000
23	City of Tuscaloosa	177,068,000	47	Jackson County	75,867,000
24	City of Pensacola	173,600,000			<u>\$ 14,157,677,000</u>

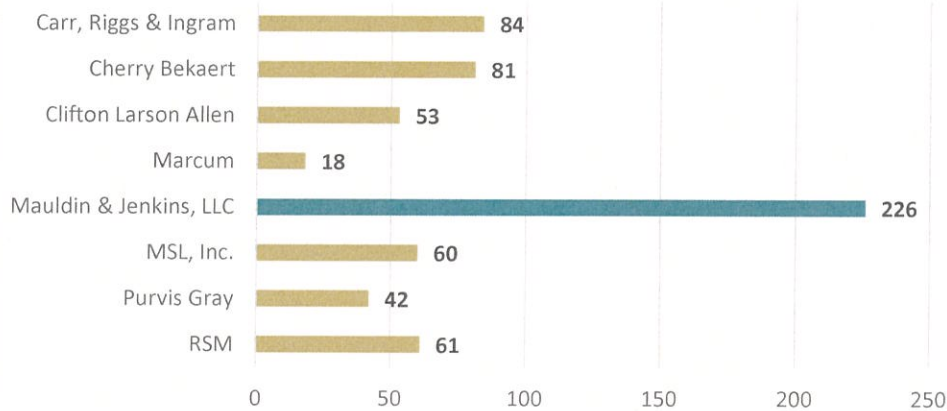
Audits of Federally Funded Programs (Single Audits)



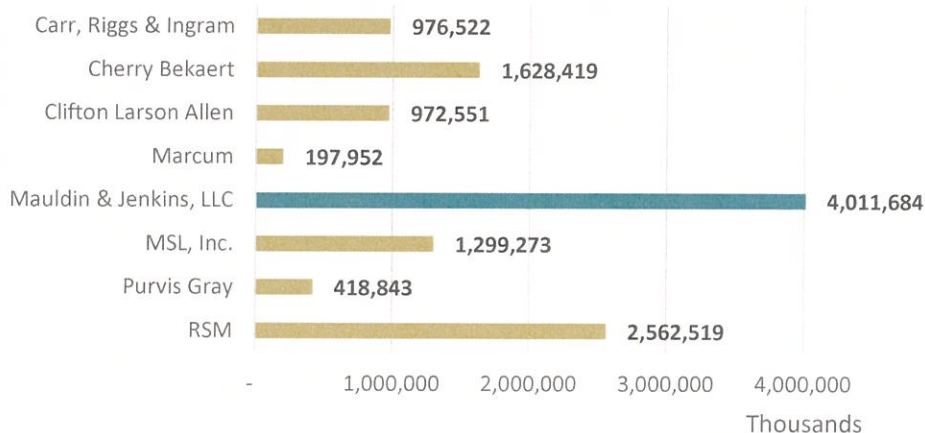
Based on the most recent data provided by the Federal Audit Clearinghouse (FAC) which is for calendar year 2020, Mauldin & Jenkins audits **226 entities** representing approximately **\$4 billion in federal expenditures** for state, local government, and non-profit clients which is the:

- **Highest** among public accounting firms in the Southeast as it relates to the number of Single Audits conducted; and
- **Highest** among public accounting firms in the Southeast as it relates to total expenditures audited under the Single Audit Act.

Number of Single Audits Performed



Federal Award Dollars Audited (In Thousands)



The above information was summarized from the Federal Audit Clearinghouse for audits with fiscal year-ends in calendar year 2020 (the last year for which complete information is available) for states in which our Firm has offices.

Governmental Attestation Services

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

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

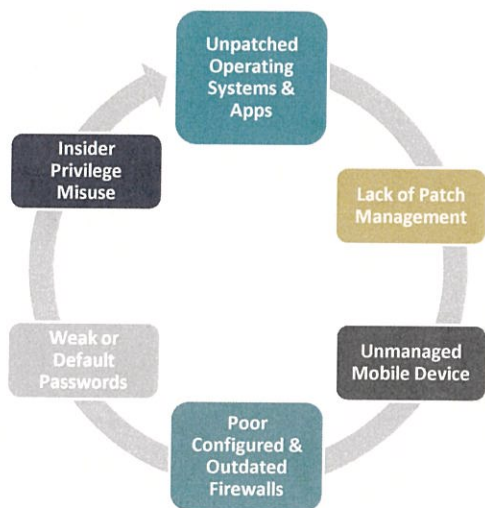
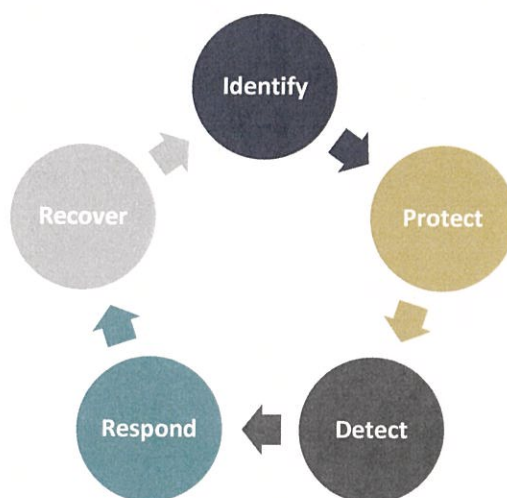
Governmental IT Solutions

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

Cybersecurity Framework Engagements

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

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



System Vulnerability Assessments Engagements

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

Penetration Testing Engagements

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



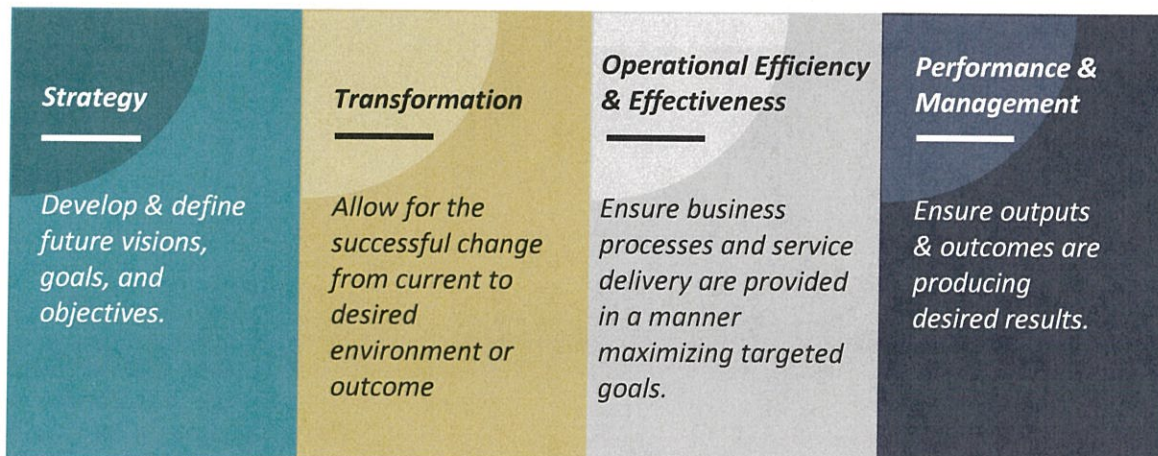
We would like to express our sincere appreciation for the quality of service provided by the staff of Mauldin & Jenkins. We would like to thank you for the level of detail and accountability you have demonstrated on this project and the way you conduct business as a whole. Our team could not be more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

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



Governmental Advisory Services

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





Similar Clients

In addressing the Town'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 years, we have elected to report on the five cities below. Should management of the Town need some additional references, we would be happy to provide such data.

1) City of Charleston, South Carolina

General Information	City Government on the South Carolina coast with a metropolitan population of approximately 727,000, total assets of \$1.1 billion and approximately \$257 million in revenues. The City provides numerous services including water, sewer, solid waste collection and disposal, stormwater, public safety, parks and recreation, community development, and other usual and customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance. Preparation of Comprehensive Annual Financial Report and the maintenance of the GFOA Certificate.
Dates	December 31, 2015 through present
Partners	Grant Davis, David Irwin, and Trey Scott
Total Hours	800 hours
Contact Information	Ms. Amy Wharton, Chief Financial Officer - (843) 579-7596 - whartona@charleston-sc.gov

2) City of North Charleston, South Carolina

General Information	City government located in Charleston, Dorchester, and Berkeley Counties in the southeastern part of South Carolina with a population of approximately 117,000, total assets of \$651 million and approximately \$172.5 million in revenues. City provides public safety, parks and recreation, community development, stormwater and other usual and customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance. Preparation of Comprehensive Annual Financial Report and the maintenance of the GFOA Certificate.
Dates	June 30, 2019 through present
Partners	David Irwin and Grant Davis
Total Hours	500 hours
Contact Information	Mr. Rob Jarrett, Director of Finance - (843) 740-5838 - rjarrett@northcharleston.org



3) City of Goose Creek, South Carolina

General Information	City government on the South Carolina coast with a population of approximately 38,000, total assets of \$80 million and approximately \$30 million in revenues. City provides numerous customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance. Preparation of financial statements.
Dates	December 31, 2016 through present
Partners	David Irwin and Grant Davis
Total Hours	300 hours
Contact Information	Mr. Tyler Howanyk, Assistant Finance Director - (843) 797-6220 ext. 1121 thowanyk@cityofgoosecreek.com

4) City of Beaufort, South Carolina

General Information	City government in located on Port Royal Island, in the heart of the Sea Islands and South Carolina Lowcountry. City has a population of approximately 12,500, total assets of \$90 million and approximately \$27.5 million in revenues. City provides numerous customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance. Preparation of Comprehensive Annual Financial Report and the maintenance of the GFOA Certificate.
Dates	June 30, 2012 through present
Partners	David Irwin, Grant Davis, and Trey Scott
Total Hours	300 hours
Contact Information	Mr. Alan Eisenman, Finance Director - (843) 525-7010 aeisenman@cityofbeaufort.org

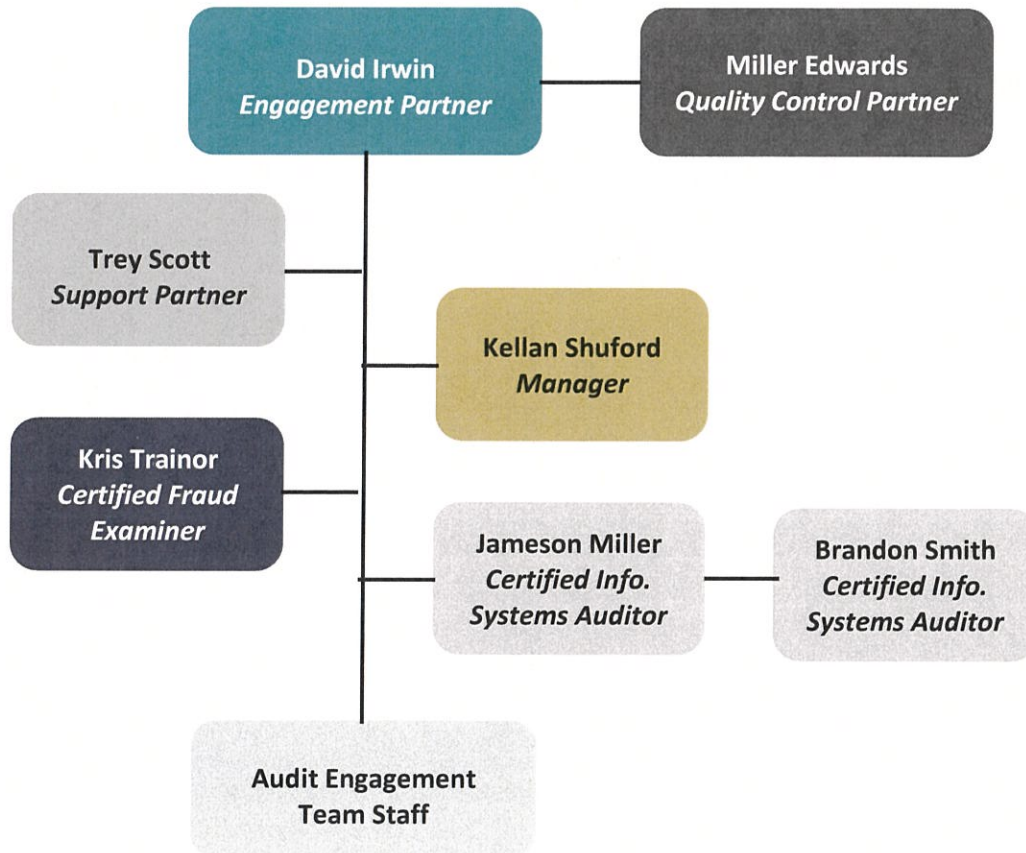
5) Town of Seabrook Island, South Carolina

General Information	Town government is a barrier island in Charleston County, South Carolina with a population of approximately 1,700. Town has assets and revenues of approximately \$8.8 million and \$2.3 million, respectively. Town provides numerous customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance.
Dates	December 31, 2019 through present
Partners	David Irwin and Trey Scott
Total Hours	125 hours
Contact Information	Mr. Joe Cronin, Town Administrator - (843) 768-5321 jcronin@townofseabrookisland.org

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 Town. The unit would be assembled as:



The above team dedicated to audit the Town will include (at a minimum): two partners, one full-time manager, and at least two staff professionals. The audit partner in-charge of fieldwork will correspond with Town management on financial reporting, audit, and related issues on an ongoing basis, and this individual will also be dedicated to serve the Town throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

David Irwin, CPA
Lead Partner & Ultimate Partner Responsible

David Irwin is a partner and a certified public accountant with Mauldin & Jenkins specializing in serving local and state governmental entities. David is licensed to practice in the State of Georgia and South Carolina. His in-charge experience as a partner and client executive with the firm covers a variety of state and local governmental organizations in Georgia and South Carolina. **He spends 100% of his time serving local governments.**



Years of Professional Experience and Years with Firm

David has over 19 years of experience in public accounting, all with Mauldin & Jenkins, serving a wide range of governmental clients.

List of Governmental Clients Served in the Last Three Years

David serves both large and small governmental units, and is involved in serving over 80 such governmental entities. The following is a current summary of governmental clients served by David in the capacity of engagement partner or senior manager:

Cities:

Aiken, South Carolina
Beaufort, South Carolina
Bluffton, South Carolina
Brunswick, Georgia
Chapin, South Carolina
Charleston, South Carolina
Clover, South Carolina
Covington, Georgia
Flovilla, Georgia
Goose Creek, South Carolina
Griffin, Georgia
Gulfport, Mississippi
Hinesville, Georgia
Hollywood, South Carolina
Jeffersonville, Georgia
Kiawah Island, South Carolina
Kingsland, Georgia
Loris, South Carolina
Lyons, Georgia
Morrow, Georgia
North Charleston, South Carolina
Orangeburg, South Carolina
Peachtree City, Georgia
Pooler, Georgia
Port Wentworth, Georgia
Union City, Georgia
Rock Hill, South Carolina
Sharpsburg, Georgia

St. Marys, Georgia
Summerville, South Carolina
Waycross, Georgia

Counties:

Augusta-Richmond County, Georgia
Bacon County, Georgia
Beaufort County, Georgia
Calhoun County, South Carolina
Chatham County, Georgia
Colleton County, South Carolina
Darlington County, South Carolina
Edgefield County, South Carolina
Jeff Davis County, Georgia
Jones County, Georgia
Lancaster County, South Carolina
Laurens County, South Carolina
Lincoln County, Georgia
Long County, Georgia
Oconee County, South Carolina
Rockdale County, Georgia
Stephens County, Georgia
Tattnall County, Georgia
Toombs County, Georgia

Other Governmental Units:

Brunswick-Glynn Joint W&S Commission
Catawba Water River Supply Project
Central Carolina Technical College



Central Midlands Regional Transit Authority
Charleston County Airport District
Charleston Water System
Dorchester County Board of DSN
Development Authority of Warner Robins
Downtown Development Authority of Warner Robins
Greenwood Commissioners of Public Works
Greer Commissioners of Public Works
Housing Authority of Clayton County
Liberty Consolidated Planning Commission
Lowcountry Regional Transit Authority
Mount Pleasant Waterworks
Newton County Water Authority
North Charleston District
North Charleston Sewer District
Peachtree City Convention & Visitors Bureau

Peachtree City Development Authority
Peachtree City Water and Sewer Authority
Redevelopment Agency of Warner Robins
Santee Water Regional Transit Authority
Tri-County Technical College
Trident Technical College
Waccamaw Regional Transit Authority
Williamsburg Technical College

State of Georgia Entities:

Georgia Building Authority
Georgia Ports Authority

Degree/Certifications and Audit Training

David graduated from Georgia College and State University with a MAcc and a B.B.A. in Accounting.

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

- 2022 AICPA Governmental & Nonprofit Annual Update
- 2022 M&J Annual Governmental Conference – Athens, Georgia (3 days)
- 2021 AICPA Governmental & Nonprofit Annual Update 2018-2019 Edition
- 2021 American Institute of Certified Public Accountants (AICPA) Annual Governmental Accounting & Auditing Update Conference – Las Vegas (3 days) – Participant
- 2021 M&J University Annual Conference – Lake Lanier Islands, Buford, Georgia (5 days) – Instructor and Participant for a wide array of subjects heavily based on governmental audit, accounting and financial reporting.
- 2020 South Carolina GFOA Fall Conference GASB Update – Myrtle Beach, South Carolina
- 2020 South Carolina Association of Certified Public Accountants, GASB Governmental Accounting Standards Update, Greenville, SC – Instructor
- 2019 South Carolina GFOA Fall Conference GASB Update – Myrtle Beach, South Carolina
- 2019 AICPA Governmental & Nonprofit Annual Update 2017-2018 Edition
- 2019 M&J GASB Update – Participant
- 2019 M&J GASB No. 87 Leases – Participant
- 2019 M&J Compliance with the Uniform Guidance – Participant
- 2019 M&J Annual Governmental Conference – Athens, Georgia (3 days) – Instructor and Participant

Professional and Civic Activities

David is a certified public accountant with a license to practice in Georgia and South Carolina. David is a member of the American Institute of Certified Public Accountants (AICPA), the Georgia Society of CPAs, the Government Finance Officers Association, the Georgia Government Finance Officers Association (GGFOA), and the South Carolina Association of Certified Public Accountants (SCAPA).

Miller G. Edwards, CPA
Quality Control Partner

Miller Edwards is a partner and a certified public accountant with Mauldin & Jenkins. He is the senior partner responsible for the establishment, direction and development of the firm-wide governmental practice division of Mauldin & Jenkins overseeing growth from serving ten governmental units to over 500 in a 25-year span. He is the managing partner of the Savannah and Macon offices. Miller has served as a member of the Firm's Executive Committee which governs the actions and directions of the Firm, and a current member of the Firm's Assurance (A&A) Committee and the Firm's Advisory Services Committee.



Years of Professional Experience and Years with Firm

Beginning in 1986, Miller has 35 years' experience in providing public accounting services to the governmental sector. Since becoming a partner, Mauldin & Jenkins has become the leader in serving over 550 state and local governmental units across the Southeast on into Texas. Miller serves both large & small governmental units along with local & state, and serves (as lead partner) and indirectly (as quality control partner) in serving over 170 such governmental entities over the past three years.

List of Governmental Clients Served in the Last Three Years

City/County

Consolidations:

Athens-Clarke Co.
Augusta-Richmond Co.
Columbus-Muscogee Co.
Macon-Bibb Co.

Counties:

Beaufort Co., SC
Berkeley Co., SC
Calhoun Co., SC
Chatham Co.
Clayton Co.
Colleton Co., SC
Crisp Co.
Darlington Co., SC
Dougherty Co.
Edgefield Co., SC
Greenville Co., SC
Henry Co.
Jeff Davis Co.
Jenkins Co.
Jones Co.
Lamar Co.
Lancaster Co., SC
Laurens Co., SC
Lee Co.
Lincoln Co.

Long Co.

Macon Co.
McIntosh Co.
Monroe Co.
Newton Co.
Oconee Co., SC
Rockdale Co.
Spalding Co.
Stephens Co.
Taylor Co.
Toombs Co.
Wilkes Co.

Cities and Towns:

Aiken, SC
Albany
Americus
Ashburn
Barnesville
Beaufort, SC
Bluffton, SC
Brunswick
Byron
Chapin
Charleston, SC
Clover, SC
Colquitt
Conyers

Cordele

Covington
Fayetteville
Forsyth
Garden City
Goose Creek, SC
Gordon
Griffin
Grovetown
Gulfport, MS
Hemingway, SC
Hinesville
Kingsland
Milledgeville
Morrow
Orangeburg, SC
Pamplico, SC
Peachtree City
Pearson
Perry
Port Wentworth
Quitman
Rock Hill, SC
Savannah
Seabrook Island, SC
Summerville, SC
Tifton
Tuscaloosa, AL

Tybee Island

Union City

School Districts:

Baldwin Co. Schools
Bibb Co. Schools
Butts Co. Schools
Camden Co. Schools
Clayton Co. Schools
Colquitt Co. Schools
Coweta Co. Schools
Dodge County Schools
Fayette Co. Schools
Glynn Co. Schools
Greene Co. Schools
Hancock Co. Schools
Henry Co. Schools
Laurens Co. Schools
Marion Co. Schools
Peach Co. Schools
Putnam Co. Schools
Savannah-Chatham Schools
Thomas Co. Schools
Twiggs Co. Schools
Ware Co. Schools



Charter Schools:

Academy of Classical Education (ACE)
Furlow Charter School
Susie King Taylor Community Schools
Tybee Island Maritime Academy

Technical Colleges:

Aiken Technical College
Central Carolina Technical College
Northeastern Technical College
Tri-County Technical College
Trident Technical College
Williamsburg Technical College

State Entities:

Ga. Building Authority (GBA)
Ga. Environmental Finance Auth. (GEFA)
Ga. Higher Education Assist. Corporation
Ga. Higher Education Facilities Auth.
Ga. Lottery Corporation (LOTTO)
Ga. Ports Authority (GPA)
Ga. St. Financing & Investment Com. (GSFIC)
Ga. State Road & Tollway Authority (SRTA)
Ga. Student Finance Authority (GSFA)
REACH Georgia (of the GSFC)
Mississippi State Port Authority in Gulfport
SC Department of Transportation (SCDOT)
SC State Fiscal Accountability Authority -
Insurance Reserve Fund
SC Jobs-Economic Development Authority
SC Office of the State Auditor (OSA)
SC Transportation Infrastructure Bank (SCTIB)
Stone Mountain Memorial Assoc. (SMMA)

Other Governmental Units:

Albany-Dougherty County Land Bank Authority
Augusta Regional Airport at Bush Field
Augusta Utilities
Catawba River Water Supply Project (SC)
Central Midlands Transit Authority (SC)

Central Savannah River Area Reg. Commission
Charleston County Airport District (SC)
Charleston Water System (SC)
Clayton County Housing Authority
Clayton County Water Authority
Clayton County Pension Plan
Colleton County Commission on Alcohol & Drug Abuse (SC)
Crisp County Power Commission
Crisp County - Cordele Industrial Development Authority
Eatonton-Putnam Co. Water & Sewer Authority
Georgia Ports Authority Defined Benefit Plan
Georgia Ports Authority OPEB Plan
Georgia Ports Authority Defined Contribution Plan
Georgetown County Water & Sewer Authority (SC)
Greenwood Commission of Public Works (SC)
Greer Commission of Public Works (SC)
Heart of Georgia Altamaha Regional Commission
Henry County Water Authority
Hospital Authority of the City of St. Marys
Lamar Co. Regional Solid Waste Authority
Live Oak Public Library
Lowcountry Regional Transit Authority (SC)
Macon-Bibb County Transit Authority
Macon Water Authority
Milledgeville-Baldwin County Development Authority
Mount Pleasant Waterworks (SC)
Newton County Water & Sewerage Authority
Northeast Georgia Regional Commission
Orangeburg Department of Public Utilities (SC)
Pathways Center Community Service Board
Peachtree City Water & Sewerage Authority
Pee Dee Regional Transportation Authority
Perry Area Convention & Visitor's Bureau
Perry Downtown Development Authority
Port of Corpus Christi Authority (TX)
Santee Wateree Regional Transit Authority (SC)
Upper Oconee Basin Water Authority
Waccamaw Regional Transportation Authority (SC)

Degree/Certifications and Audit Training

Miller graduated in 1986 from the University of Georgia with a Bachelor of Business Administration and double majors in 1) Accounting, and 2) Risk Management & Insurance. Miller has obtained and instructed a significant amount of continuing professional education over the last several years including:

- 2021 Free CPE to Governmental Clients – Coronavirus State and Local Fiscal Recovery Funds – What We Know Now – Virtual
- 2021 Octane Conference, Upcoming GASB Projects & Concepts – Virtual - Instructor
- 2021 Free CPE to Governmental Clients – GASB Update and GASB 87, *Leases* – Virtual
- 2021 Free CPE to Governmental Clients – Achieving Excellence in Financial Reporting – Virtual



- 2020 Free CPE to Governmental Clients – GASB Hot Topics, P-card Pitfalls, and Human Capital – Virtual
 - 2020 Georgia Association of School Business Officials Annual Conference, Presenting Financial Information to Non-Financial People – Augusta, Georgia – Instructor
 - 2020 Octane Conference, Upcoming GASB Projects & Concepts – Virtual - Instructor
 - 2020 South Carolina Association of Certified Public Accountants Fall Conference, Presenting Financial Information to Non-Financial People, Virtual – Virtual –Instructor
 - 2020 Georgia Government Finance Officers Association Annual Conference – Virtual (Multiple days):
 - Presenter of Economic Update in General Session;
 - Presenter of Financial Information to Non-Financial People;
 - Presenter on Auditor Panel; and,
 - Participant on remainder of conference on a variety of subjects.
 - 2020 South Carolina Association of Certified Public Accountants Spring Conference, Presenting Financial Information to Non-Financial People – Virtual – Instructor
 - 2020 Florida Institute of CPA's – Ethics Webinar – Virtual
 - 2020 M&J Working Remote, Sharing Challenges & Successes – Virtual
 - 2020 M&J Annual Governmental Conference, Various Information Presented and Received – Virtual (1 day) – Instructor and Participant
-
- 2019 GGFOA Georgia Finance Officers Association Annual Conference – Savannah, GA (3 days):
 - Presenter on Auditor Panel; and,
 - Participant on remainder of conference on a variety of subjects.
 - 2019 South Carolina Association of Certified Public Accountants, Presenting Financial Information to Non-Financial People – Columbia, SC – Instructor
 - 2019 M&J Annual Governmental Conference – Athens, Georgia (3 days) – Instructor and Participant
 - 2019 South Carolina Association of Certified Public Accountants, GASB No. 84, Fiduciary Activities – North Charleston, SC – Instructor
 - 2019 M&J Free CPE to Governmental Clients, Presenting Financial Information to Non-Financial People – Dacula, GA., Charleston, SC., Savannah, GA., Macon, GA. – Instructor
 - 2019 M&J Free CPE to Governmental Clients, GASB Update – Dacula, GA., Charleston, SC., Savannah, GA., Macon, GA. – Secondary Instructor
 - 2019 City of Dunwoody Accounting Conference: Presenting the Annual Comprehensive Report (ACFR) to Others – Dunwoody, Georgia – Instructor
-

Professional and Civic Activities

Miller is a Certified Public Accountant with licenses held and maintained in Georgia, Florida and Virginia. He is a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, the Government Finance Officers Association (GFOA), and the Georgia Government Finance Officers Association (GGFOA).

Practice mobility for CPAs is the general ability of a licensee in good standing from a substantially equivalent state to gain practice privilege outside of their home state without getting an additional license in the state where they will be serving a client or an employer. Under the mobility concept, Miller can practice being a certified public accountant in any state in the United States of America.

Trey Scott, CPA
Technical Support Partner



Trey Scott is a director and a certified public accountant with Mauldin & Jenkins specializing in serving local and state governmental entities. Trey's experience with the firm covers a variety of state and local governmental organizations in Georgia, South Carolina and Florida.

Trey spends 100% of his time serving local governments emphasizing cities, counties, school districts, business-type entities and state government entities, and special purpose entities and authorities.

Years of Professional Experience and Years with Firm

Trey has 11 years of experience in public accounting, all with Mauldin & Jenkins serving a wide range of governmental clients. Trey has specific experience with client computer systems (most commonly Tyler Munis and BS&A, among others). He is also thoroughly versed in Federal and State grant programs. Trey would be in the field during the entire conduct of the audit.

List of Audits Performed for Governments in the Last Three Years

Trey serves both large and small governmental units, and is involved in serving over 35 such governmental entities. The following is a current summary of governmental clients served by Trey in the capacity of engagement manager:

Cities:

Aiken, South Carolina
Cooper City, Florida
Covington
Conyers
Crystal River, Florida
Fayetteville
Griffin
Hallandale Beach, Florida
Hinesville
Morrow
Peachtree City
Pensacola, Florida
Savannah
St. Mary's
Village of Pinecrest, Florida
Union City

Oconee County, South Carolina
Peach County
Rockdale County
Stephens County
Toombs County

Other Governmental Units:

Clayton County Water Authority
Newton County Water Authority
Peachtree City Convention & Visitors Bureau
Peachtree City Development Authority
Peachtree City Water and Sewer Authority
Henry County Water and Sewerage Authority
Toccoa-Stephens County Public Library
Central Midlands Regional Transit Authority
Lowcountry Regional Transportation Authority
Hardee County, FL Industrial Development Authority
Ocean Highway and Port Authority
Tampa Bay Water
Lakeland Area Mass Transit District
Polk Transit Authority

Counties:

Augusta-Richmond County
Colleton County, South Carolina



State Entities:

Georgia Building Authority
Georgia State Road and Tollway Authority
Georgia Ports Authority
Georgia Student Finance Authority
South Florida Regional Transportation
Authority

Degree/Certifications and Audit Training

Trey graduated from Austin College, in Sherman Texas with a Bachelor of Arts degree, majoring in Business Administration. Trey also has a Master of Public Accounting degree from the University of West Georgia in Carrollton. He is in his 9th year of public accounting and auditing, with an emphasis on state and local governments.

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

- 2019 Personal and Professional Ethics for Florida CPA's – Participant
- 2018 M&J Governmental Conference – Lake Lanier, Georgia – Instructor and Participant
- 2018 LEAP Conference – Lake Lanier, Georgia – Governmental Auditing – Instructor
- 2018 FICPA USF Accounting Conference – Tampa, Florida – GASB Update – Instructor
- 2018 FGFOA School of Governmental Finance – Jacksonville, Florida – Fraud and Internal Controls – Instructor
- 2018 FSFOA Conference – Jacksonville, Florida – Fraud and Internal Controls – Instructor
- 2018 Summer M&J Governmental Client CPE (GASB Update, Fraud and Internal Controls, Financial Statement Deficiencies, and Presenting Financial Information to Non-financial People) – Palmetto, Florida – Instructor
- 2018 FGFOA Nature Coast Training Day – Hernando, Florida – “GASB 63 & 65 and Presenting Financial Information to Non-Financial People” – Instructor
- 2017 FGFOA Southwest Florida Chapter Meeting – GASB 74 & 75, OPEB standards; GASB 87, Leases; Financial Reporting Deficiencies in State and Local Government Financial Reports; Presenting Financial Information to Non-financial People – Punta Gorda, Florida – Instructor
- 2017 FGFOA School of Governmental Finance – “GASB 63 & 65 and Presenting Financial Information to Non-Financial People” – Jacksonville, Florida – Instructor
- 2017 FICPA State and Local Government Conference – “Financial Reporting Deficiencies in State and Local Government Financial Reports” – Orlando, Florida – Instructor
- 2017 FGFOA Panhandle Chapter Meeting – GASB Update, Common Financial Reporting Deficiencies and Presenting Financial Information to Non-financial People – Shalimar, Florida – Instructor
- 2017 M&J Governmental Conference – Lake Oconee, Georgia - Participant
- 2017 M&J LEAP Conference - Athens, Georgia – Instructor
- 2017 FGFOA North Central Florida Chapter Meeting “Preparing For Your Annual Audit” – Gainesville, Florida - Instructor
- 2016 Ethics for Florida CPA's
- 2016 M&J Governmental Conference – Lake Oconee, Georgia - Participant
- 2016 M&J LEAP Conference - Athens, Georgia - Instructor
- 2016 AICPA Governmental & Nonprofit Annual Update 2015-2016 Edition

Professional and Civic Activities

Trey is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Florida Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, the Government Finance Officers Association, the Florida Government Finance Officers Association, and the Georgia Government Finance Officers Association.

Other Resources for Non-Audit Services (Advisory Services, Information Technology Services & Fraud Examinations)

David Roberts

Partner, Governmental Advisory Services

David Roberts has more than 22 years of experience as a consultant and trusted advisor providing operational/organizational assessments and similar transformational projects for federal, state, and local governments across the country. David's experience includes leading numerous enterprise-wide/departmental/functional assessments and transformations over his career measuring the efficiency and effectiveness of organizational structures and culture, performance management, technology systems and strategies, staffing models, service delivery models, and customer satisfaction. David helps his clients turn visions and goals into reality. He has helped multiple clients win national government industry awards for innovation, transformation, and cost savings.



David leads our Government Advisory practice, where he focuses on helping governments and individual agencies fulfill and exceed their financial, operational, and regulatory obligations to the public.

David has completed hundreds of projects over his career. Below are representative sample management consulting projects demonstrating David's depth and breadth completed within the past 12 months:

Operational and Performance Assessment – Walton County, Georgia

David led a multi-department Operational and Performance Assessment for Walton County. The scope included assessing organizational structure, operational efficiency, staffing levels and resource utilization, comparison to leading practices, and observations and recommendations to assist the County in achieving the desired future state. The final report included numerous observations with associated recommendations and a detailed Roadmap/Implementation Plan.

Outsourcing Feasibility Study – City of Rocky Mount, North Carolina

David led a feasibility study for the City of Rocky Mount to assess its current service delivery model for providing parks maintenance and landscaping services. City operations used a hybrid model of both internal resources and third-party contractors to provide parks maintenance and landscaping. The project evaluated the pros and cons (both financial and non-financial) of 1) maintaining the hybrid model, 2) performing all services in-house, and 3) performing all services externally.



Finance Functional Assessment – Richland County Library, South Carolina

David led a functional assessment of the Library's finance department. The project consisted of understanding the current state – current service provision, performance, workflow, business processes, internal controls, organizational structure, reporting, and communications. The current state was compared to leading practices and gaps were identified. An implementation roadmap was created that aligned recommendations to leaderships' vision to help the organization achieve its desired future state.

Technology Utilization Assessment – Mt. Pleasant Waterworks (South Carolina)

David led an objective evaluation of the organization's system usage and governance related to the existing financial system (Microsoft Dynamics) and the existing workorder management system (Maximo). The organization wanted to maximize the efficiency and effectiveness of both systems while maintaining internal controls and system of record. The project consisted of numerous interviews, data review, system mapping, and a collaborative workshop among stakeholders to define a future state.

Grant Compliance Audit – Decide DeKalb (Georgia)

David led a Grant Compliance Assessment of various development projects for Decide DeKalb. The project reviewed the established grant and contractual criteria to be maintained by developers and compared with tenant information related to low-income occupants. The project identified areas of compliance, non-compliance, and recommendations for remediation.

Forensic Audit – Confidential City

David led a forensic investigation into questionable cash management activity for a City Parks and Recreation department. The project reviewed bank account activity, cancelled checks, cash withdrawals, and purchased item documentation as well as conducted interviews with account cardholders to determine the collection, handling, and use of several hundred thousand dollars collected in fees, sponsorships, and contributions made to the City. Numerous observations and corresponding recommendations were developed to enhance internal controls, written policies, and procedures to correct conflicts of interest, mishandling of funds, and misappropriation of funds.

From management consulting and identifying new opportunities, to increasing stakeholder satisfaction and implementing transformational strategies, David and our government advisory team deliver insights and techniques that help government clients leverage public resources efficiently while achieving overarching goals. Our Government Advisory Practice brings to market a team that has direct experience as government employees, change agents, and transformation consultants to help tackle the industry's toughest issues.



Jameson Miller, CPA, CISA, CISSP, CCSFP, CHQP
Partner in Charge, Technology Services Office,
Cybersecurity Advisory Services

Jameson Miller is a partner and has been with Mauldin & Jenkins since graduation from the University of Tennessee at Chattanooga.

For over 15 years, Jameson has provided information technology consulting and attest services to public and private entities throughout the Southeast. Jameson's experience includes audits of general controls, application controls, and cybersecurity risk management programs.

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

- Maintains current and relevant information technology and financial accounting continuing professional education credits (CPE);
- Holds the American Institute of Certified Public Accountants' (AICPA) "Cybersecurity Advisory Services" and "Blockchain for Accounting and Finance" Certificates;
- Served as a Cybersecurity panelist and speaker at the 2020 Octane Conference and GGFOA's 2019 Annual Conference;
- Presented a firm sponsored 8 hours session entitled, "All Things IT – Are You Protected?"; and,
- Has spoken at other various conferences on topics, including:
 - Managing Cybersecurity Risk Through an Effective Vendor Management Program;
 - Technologies Transforming Accounting; and,
 - Data Analytics: Balancing the Good and the Ugly



Jameson is a member of the AICPA, the Tennessee Society of Certified Public Accountants, ISACA, and ISC2. Jameson is a licensed Certified Public Accountant with the State of Tennessee, a Certified Information Systems Auditor (CISA) through ISACA, a Certified Information Systems Security Professional (CISSP) through ISC2, a Certified Cybersecurity Framework Practitioner (CCSFP) and Certified HITRUST Quality Professional (CHQP) through the HITRUST Alliance.

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.

Brandon R. Smith, CPA, CCSFP, CHQP
Partner, Advisory Services
Information Technology and Cybersecurity

Brandon Smith joined Mauldin & Jenkins in 2008 after studying Accounting and Information Systems at Georgia Southern University. He works with organizations throughout the Southeast to help deliver a blend of capacity building and advisory services.

His experience includes evaluating cybersecurity, internal control, and risk management policies and practices. He helps organizations review posture and identify prioritized, flexible, repeatable, performance-based, and cost-effective approaches to improve measures and controls.

Expertise includes NIST Cybersecurity Framework, HITRIST Common Security Framework, System and Organization Controls (SOC) Reporting, COSO Internal Control-Integrated Framework, and Uniform Guidance. Services range from reviewing existing policies and practices and providing targeted recommendations in line with proven frameworks, to helping facilitate technical assessments.

Brandon serves on a national Alliance Innovation Committee that represents more than 80 firms nationally, he serves on the AICPA's Stakeholder Advisory Group for its Dynamic Audit Solution currently in development, and he is the chair of M&J's NExT Committee for Innovation. Brandon is enthusiastic about transformative technologies and the impact they have on our clients and our profession, including Data Analytics, Machine Learning, Artificial Intelligence, Robotic Process Automation, and Blockchain. Additional services provided by Brandon and his team include:

- Internal Controls Assessments
- IT/Cybersecurity Framework Assessments
- GLBA Compliance – Information Security
- Vulnerability Assessments
- Internal & External Penetration Testing
- Social Engineering Campaigns
- Cybersecurity Awareness Training

Brandon is a regular speaker for the Georgia Society of CPAs and he serves as a volunteer faculty member for Nonprofit University's certificate programs. He is a member of ISACA, AICPA, GSCPA, Georgia Planned Giving Council, Georgia Center for Nonprofits, Technology Association of Georgia, and HITRUST.





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. All staff assigned to the Town's engagement will have prior experience serving government clients and/or will have substantial government audit training. All staff assigned to the Town will be on-site throughout the entire engagement.

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 governmental entities. We also normally have more high-level hours of service by our partners and managers (in the conduct of fieldwork) than other firms, thereby reducing redundancy and other audit engagement inequities. We bring our experience to the field where timely decisions can be made.

Diversity & Inclusion

At Mauldin & Jenkins, we believe the word inclusive should apply to everything we do. We strive to maintain a workplace where everyone's differences are celebrated and valued. We recognize that our ability to maintain a sustainable business model will depend largely on attracting, retaining and promoting individuals that share our common vision of success but do so with a multitude of different backgrounds, views and life experiences. We embrace this diversity and recognize it is critical to current and future generations that will operate our Firm and support our Profession. By specifically placing an emphasis on these initiatives, the Firm will intentionally work towards a workplace with a broader inclusion of talent that celebrates equal access and equal opportunities, thereby strengthening the impact on the communities we serve.

M&J's commitment to diversity and inclusion created a need and interest for a Committee that organizes and promotes various activities and themes around maintaining a safe, professional, and inclusive atmosphere for everyone in the firm. Our commitment primarily focuses on how staff and management can continue to provide equal opportunities and experiences to everyone inside and outside of our firm. The committee also uses the opportunity to help mentor our employees, as well as youth within the communities we serve. This allows everyone to evolve into exceptional professionals. Not only do participants attend diversity and inclusion related events on a local level, they also are able to apply for opportunities to participate and engage on a national level as well. The Committee meets quarterly and strives to host three to four events each year.

The Firm is also committed to providing opportunities to the next generation of accounting professionals. Annually, M&J provides scholarships to eligible accounting students that have a strong desire to work in one of our current markets. Additionally, the Firm has doubled its contribution and impact by providing additional scholarships specifically targeted to first-generation and minority student populations.



Affirmative Action

Mauldin & Jenkins is committed to the hiring of men and women and minorities representing any and all races, ethnic origins, religious affiliations, codes and creeds. Mauldin & Jenkins policy is to prohibit discrimination in all elements of its operations. We are proud of our reputation as an equal employment opportunity business. We have partners, as well as staff, in our Firm representing a wide variety and background.

Consideration of the Use of Disadvantaged Business Enterprises

Mauldin & Jenkins' is a large regional firm and we have significant experience with local governments and their specific accounting environments. We do not currently outsource any audit procedures to companies, including any outside of the United States of America, nor do we anticipate the need to begin such outsourcing. All of the proposed engagement team for the Town's audit will be full-time employees or partners from Mauldin & Jenkins.

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 Town as it limits the amount of retraining that needs to be performed each year. **Our staff retention rates of approximately 85%** 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 > 85%

This indicates that we retain 87% of our staff for a minimum of five years.

It is also our goal to minimize disruptions to your management personnel 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 this 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 officials to their satisfaction.

Continuing Education of Partners & Staff

All members (i.e., partners) and staff of Mauldin & Jenkins receive substantial continuing education in audit and accounting – typically over 100 hours of such study per year. As soon as a staff person becomes a key ingredient to any type of niche service such as governmental audit, accounting and consulting, specific continuing education is sought. A good example includes sending our staff with over one year of governmental audit experience to various GFOA and AICPA training for audit, accounting and financial reporting courses.

All partners and staff serving in the governmental sector join together in July each year for the M&J Annual Governmental Conference in which three days' worth of audit, accounting and financial reporting training is provided.

Mauldin & Jenkins also provides week long audit efficiency training via Audit Watch every June to all staff persons with less than five years of experience. Further, every July staff persons from various levels of experience are provided with four days of training relative to the conduct of Single Audits and the preparation of Annual Comprehensive Financial Reports.

All staff associated with the annual audit of the Town will exceed all the continuing professional education requirements contained in the Yellow Book throughout the term of the agreement.

Planned Use of Outside Specialists

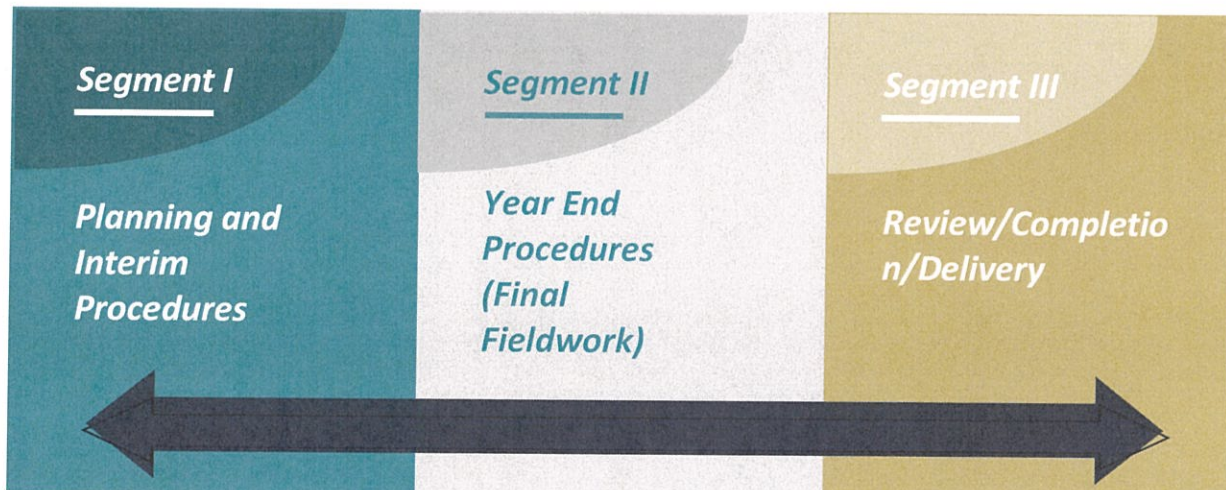
At this time, we do not plan on the use of any outside specialist. All work to be conducted will be performed by Mauldin & Jenkins partners and staff. Of course, certain staff has certain specialties, and they will be called on as needed. We do plan on using the results of reports provided to the Town from their specialists. This would include, when applicable, the following types of specialists:

- Actuaries
- Engineers
- Healthcare providers
- Third-party administrators
- Retirement plan administrators
- Fixed asset valuation professionals
- Bond underwriters and counsel
- Consulting attorneys & outside counsel

Specific Audit Approach

Proposed Segmentation of Audit Engagement and Level of Staff Assigned

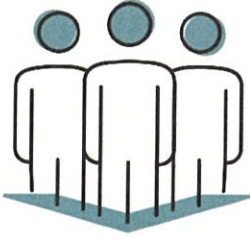
Our professionals, who are knowledgeable with respect to audit requirements for governmental entities, will be assigned based on their expertise with respect to each segment. Our audit is enhanced by our utilization of advanced technology tools. With those tools we continue to evolve and modernize our audit process. Our audit procedures, related documentation and quality review will be segregated by each segment as follows based on our review of the Town's prior financial statements, budgets, request for proposal, and other information available:





The below time frames are estimates based on our understandings with the Town as to its desires. We at Mauldin & Jenkins would be flexible in the timing of certain events as requested by the Town. As noted in the table below, we want to work with Town 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 Town 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	May	June	July	Aug	Sep	Oct	Nov
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 annual financial report, 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 financial report, internal control reports, and management letter to management.							
Presentation of audit deliverables to the governing board.							

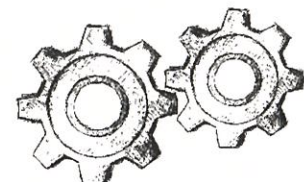


Segment I - Planning and Interim Procedures:

- Obtain a signed engagement letter for the financial and compliance audit;
- Prior to our planning visit, creation of an “Interim Procedures PBC” listing in Suralink, our request list management software (more information about Suralink in the section immediately following).
- Meet with Town 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 Town;
- Read minutes of Town meetings;
- Review the Town’s current year budget, as adopted and revised;
- Review debt agreements, and other various documentation;
- Gain an understanding of the Town’s accounting policies and procedures, including the financial and other management information systems utilized by the Town;
- Obtain an in-depth knowledge of the EDP equipment, software and systems in use;
- Obtain interim financial data from the general ledger for establishing the appropriate coding in M&J’s trial balance software and Artificial Intelligence (Ai) program;
- Utilize Ai program and interim data to 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 Town personnel to discuss the results of our preliminary audit work; and,
- Finalize the “Final Fieldwork PBC Listing” and upload to Suralink.

Segment II - Final Audit Fieldwork Procedures:

- Utilize Ai program on final general ledger data and scan transaction for unusual transactions, data, or analytical relationships;
- Use data scanned above in various substantive analytical reviews of account balances (such as reasonableness tests, trend analysis, and predictive tests) to reduce other substantive tests of details;
- 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, any material 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, and other accrued liability cut-offs and balances;
- Review actuarial methodologies, assumption, and census data and determine the appropriateness and accounting of the pension and OPEB liabilities;
- Test debt balances and debt covenant compliance;
- Test compliance with applicable laws and regulations;
- Test the classification of net position (unrestricted, restricted and net investment in capital assets) and fund balance (nonspendable, restricted, committed, assigned, unassigned);
- 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 Uniform Guidance, as applicable;
- Review the PBC listens in Suralink for any outstanding items and hold and end of fieldwork exit conference with management.

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 Town's approval of the final financial statements;
- Draft the Data Collection Form and obtaining the Town's approval;
- Prepare and provide the Town a final PDF document of the audited financial statements;
- Hold final exit conferences and presentations with appropriate Town officials.



Assistance Requested from the Town Staff

The audit is an annual process that we know the Town prepares for each year. However, we also know that the regular, on-going operations and day-to-day requirements do not stop just because the annual audit is occurring. The assistance that will be requested from the Town staff will be clearly communicated by Mauldin & Jenkins during the preliminary / interim procedures to allow for maximum lead time so that our requests can be met with as little disruption to the Town's operations as possible.

Our expectation for assistance from the Town staff includes the following: preparation of cash, investment, debt, and other audit confirmations; provision of access to the Town's system or response to requests to provide reports, reconciliations, queries, etc.; preparation of certain elements of the Annual Comprehensive Financial Report (transmittal letter, organization chart, etc.); and availability via telephone, video conference, and in-person to respond to various questions and inquiries.

Based on the Town's request for proposal, we have also prepared a schedule, including level of staff and number of hours to be assigned, to each proposed segment of the engagement, which is representative of the expected 2023 audit in the following tabular presentation:

Segmented Hours by Staff Level					
Segments	Engagement Team Members by Level				
	Partner	Manager	Senior	Staff	Total
Segment I - Planning and Interim Procedures	10	10	-	-	20
Segment II - Final Audit Fieldwork Procedures	20	40	30	40	130
Segment III - Review, Completion & Delivery Procedures	20	30	-	-	50
Total Engagement	50	80	30	40	200

Mauldin & Jenkins believes that we are uniquely qualified to perform the audit of the Town. In a time in which very significant changes continue to be implemented in the Town's financial reporting model, it is imperative for the Town's auditors to understand the Town's financial reporting environment and processes and utilize advances technology and tools in performing your audit. 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 advanced methodologies and technology, 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 Town 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 Town 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 Town. 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 Town, we would determine with Town 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 Town. Adequate supervision and lead time will be provided by the auditor with respect to assistance needed by the Town staff.

High Percentage of Partner and 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. 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:

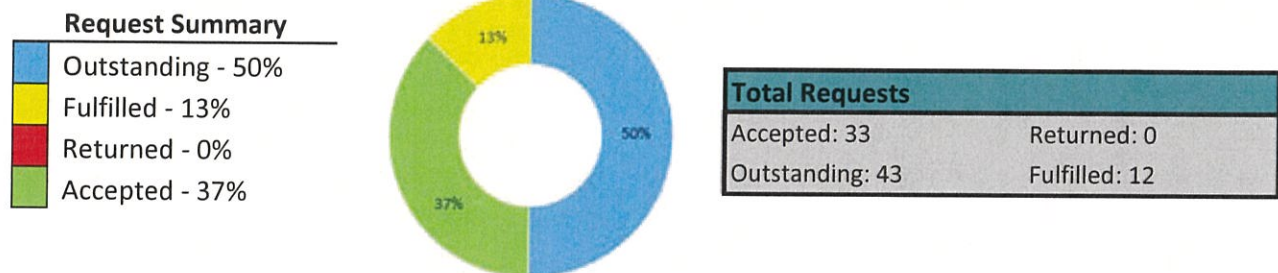
- Substantial Partner Hours as Compared to Total Hours.
- Substantial Manager Hours as Compared to Total Hours.
- Approximately 65% of all anticipated hours of service are partner and manager hours which means our partners and managers are heavily involved during the audit process, and not just the front end and back end of the audits.

Our Request List Management Software – Suralink

For all of our governmental audit engagements, we use Suralink. Suralink is the leader in PBC request list management software, helping all of our audit teams stay on track throughout the engagement and improving the overall client experience.

Prior to our visit to the Town's offices for interim/planning work, we will create an account for the Town. We can add as many people to the Town's account as requested – and even have the ability to limit which people can see which items in the portal for security of sensitive information.

All requests for the audit will run through Suralink which our audit team members will update throughout fieldwork. Our periodic audit status meetings will start with a review of the Suralink portal and a general discussion of the progress to date. Suralink will provide a summary status that looks similar to the diagram below and will also include details of the specific items for each category.



By using Suralink, we will: (1) eliminate inefficient and unsecured email exchange of audit information; (2) ensure that all members of the Mauldin & Jenkins team as well as the Town's team remain on the same page throughout the conduct of the audit; and (3) encourage the efficient assignment of audit tasks on both the audit team and client team for the engagement.

Extent of the Use of EDP Software – Including Artificial Intelligence

Artificial Intelligence (AI)

Mauldin & Jenkins is excited to be one the **first accounting firms in the Southeast to utilize an artificial intelligence tool as part of our audit process** – the Ai Auditor from Mindbridge. The Ai Auditor allows for us to scan 100% of your transactions and provide new risk based insights during the audit (such as anomalous transaction patterns found). These risk based insights can be opportunities to correct mistakes or point to areas where there may be malicious activity. As part of our audit methodology, Ai systems are becoming what sampling used to be. Sampling was a coping mechanism for big data; the new coping mechanism for big data is Artificial Intelligence (AI). As the amount of data in the Town increases, tools like these are more and more necessary to ensure we can provide you the highest quality audits and advice.

The MindBridge Ai Auditor was selected as one of the top new products by Accounting Today Magazine.

The Achilles' heel of auditing has always been sampling —the inability to look at more than a portion of the information available to the auditor. Advances in artificial intelligence and advanced data analytics raise the possibility of incorporating more — and eventually all — of a company's data into the audit, and for pioneering that, MindBridge Auditor Analytics' Ai is a Top New Product this year."

- Accounting Today Magazine

At the start of the engagement during our planning phase, we will assess the computer systems used by the Town and plan how to utilize the Ai Auditor along with our trial balance software. This knowledge and utilization of our trial balance software will decrease time spent in initial file setup, trial balance setup, and data integrity testing. This approach and utilization of both programs will allow for more effective audits resulting in a fast sort, filter and analysis of transactions in a population, and provide for drilling down on those items that have the highest risk. Examples of uses of extraction and data analysis in our audit approach are as follows:

- Full coverage, 100% transaction analysis;
- Use of transaction analysis to provide new risk based insights during the audit (such as anomalous transaction patterns found) and allow for directed audit effort of unusual or outlier transactions;
- Analyzing general ledger detail transactions and journal entries for effective and efficient testing of all activity for the fiscal year as compared to the prior year;
- Summarizing disbursements for a period by dollar range and compare to policy guidelines for complying with certain attributes (approvals and signature requirements, etc.);
- Searching check register listings for unrecorded items or checks written during the fiscal year;
- Converting bank or investment activity statements to Excel to provide for a quick listing of deposits for an entire period/year;
- Converting vendor file information to Excel and comparing employee files with addresses for any similar or unusual items related to vendor files;
- Downloading trial balances, detail journals, and selected transaction files into our software;
- Quick reporting and dashboards for the engagement team.

The trial balance downloaded will then be used to agree to the ultimate draft of the Town's financial statements ensuring that all adjustments and balances are brought forward into the financial statements and providing a clean audit trail for review and support of the Town's financial statements.

Should the Town desire a need for our Ai Auditor software for non-audit purposes, we would be happy to assist management with our expertise in data analysis.

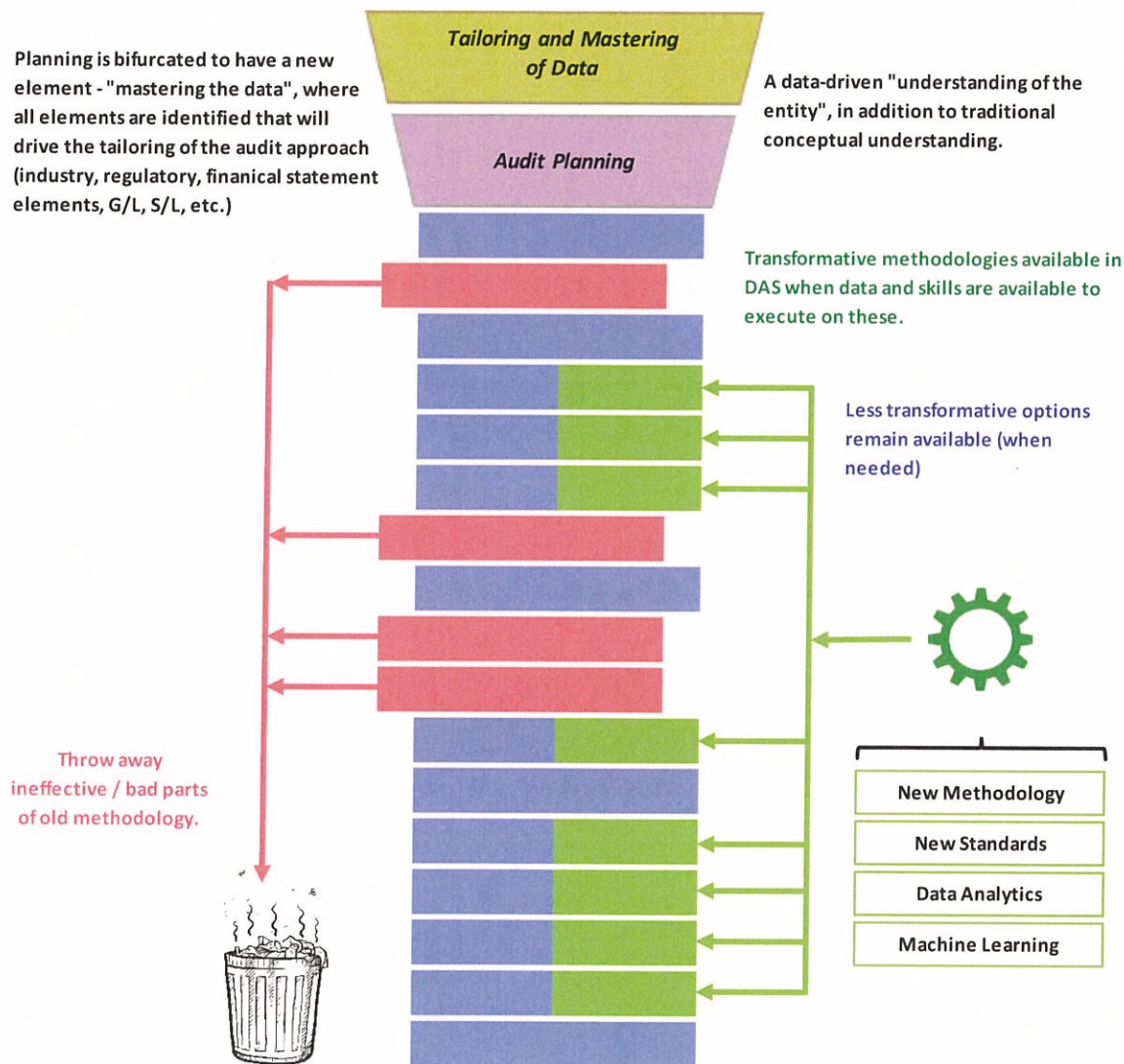
Dynamic Audit Solution in Development

Mauldin & Jenkins is one of only 38 of the top 100 CPA firms in the nation who have invested in the AICPA's new revolutionary audit tool and methodology – the Dynamic Audit Solution ("DAS"). The DAS is a transformational audit methodology brought to life through an innovative, cloud-based technology solution. It includes the AICPA evolving the auditing standards and creating new innovative audit methodologies to advance the financial statement audit using evolving technologies. This project is ongoing and was started in 2018. It is estimated to be completed in the next one to two years. Below is a picture of how the audit methodology will involve: the addition of a step prior to or during the planning phase of the audit in which we will "tailor and master" the auditee's data, remove old outdated audit procedures, and add transformational audit procedures (data analytics, AI, and Machine Learning).

The DAS will be an interactive tool with a "guided audit engagement process". The auditee and auditor will both have access to the tool with requests for information being made through the tool along with responses and uploaded data. The confirmation process, including the use of confirmation.com, will be integrated with the DAS tool. Both auditee and auditor would be able to see progress and status

updates using the tool creating a collaborative environment for bringing the audit to conclusion. Many functions, forms, and even financial statements within the tool will be “smart” forms, with data being input only once and populating in many places throughout the audit documentation – making for an efficient and effective audit. Given the timeframe of the request for proposal, it is expected that this transformational new audit tool will be utilized on the audit of the Town in later years of the initial contract period.

The following diagram attempts to animate the above thoughts.



Sampling Techniques and the Extent to Which Statistical Sampling Will be Used in the Engagement

As discussed above, our approach is evolving to utilize Ai tools to scan entire populations and is fast eliminating the need for sampling. In some situations, sampling will still be necessary or required. When we utilize audit sampling, we do so as provided in U.S. Auditing Standards AU-C Section 530, *Audit Sampling*. We would plan to utilize audit sampling whenever a decision is made to apply a specific audit

procedure to a representative sample of items within the account balance or class of transactions with the objective being reaching a conclusion about the entire balance or class.

We anticipate using audit sampling on the following types of audit tests:

- Substantive tests of details of balance sheet account balances
- Substantive tests of details of transactions
- Tests of controls
- Tests of compliance with laws and regulations

Our use of audit sampling will be based on the guidance in AU-C Section 530 and the AICPA Audit and Accounting Guide - Audit Sampling.



Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures can be applied to almost every financial statement amount and are often less costly to apply than tests of details. It is, therefore, an efficient audit strategy to employ analytical procedures to the maximum extent possible, and vary the required extent of substantive tests of details inversely with the degree of assurance already obtained.

The elements of analytical procedures we plan to consider are as follows:

- Identify the factors on which a given accounting result should depend;
- Determine the approximate relationship between the accounting result and those underlying factors;
- Predict what the current results should be if that relationship continued;
- Compare the actual current result to the prediction;
- Investigate and corroborate significant variances between the actual result and the prediction;
- Reach a conclusion as to the reasonableness of the reported result.

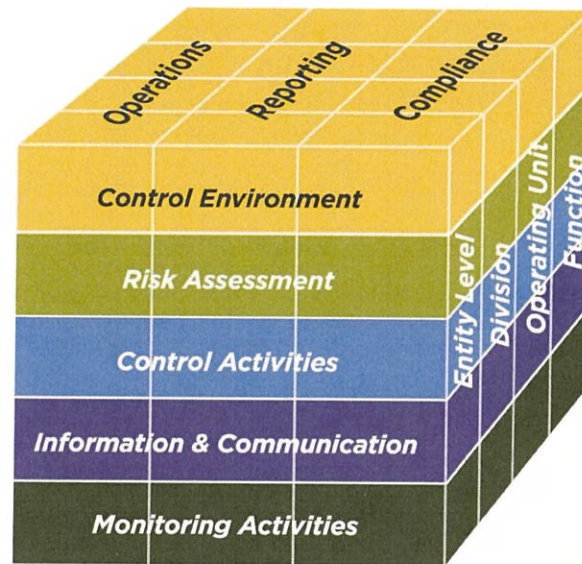
Types of analytical procedures employed will include:

- Reviewing changes from prior years for reasonableness.
- Scanning accounts for items larger or smaller than expected when compared to budgets or forecasts.
- Reviewing and comparing logical relationships between years (e.g., payroll taxes and benefits to wages, etc.). Comparisons between years can be made more effective when logical relationships between elements of the financial statements that would be expected to conform to the predictable pattern are used to develop trends. This is primarily accomplished through the use of ratios.
- Analyzing and comparing nonfinancial information, such as number of taxable properties, geographical area, number of employees, etc.

All analytical procedures performed as substantive tests are documented on each applicable audit program.

Approach to be Taken to Gain and Document an Understanding of the Town's Internal Control

For purposes of an audit of the financial statements and statutory, regulatory and contractual compliance, the Town's control structure consists of the following five elements as they relate to the Town's ability to conduct operations and use resources in accordance with management's authorization and consistent with laws, regulations, contracts and policies, and to record, process, summarize, and report financial data consistent with assertions embodied in the financial statements: the control environment; risk assessment, control activities, information and communication processes/systems, and monitoring.



The internal control structure and its policies and procedures are an important source of information about the types and risks of potential material misstatements that could occur in the financial statements and violations of statutory, regulatory and contractual requirements. This information is essential for effective audit planning and in designing effective and efficient audit tests.

In our understanding of the Town's internal control structure, we will obtain knowledge about:

- How internal control structure policies, procedures and records are designed;
- Whether internal control structure policies, procedures and records have been placed in operation, i.e., whether the Town is using them;
- Whether internal control structure policies, procedures and records are designed effectively, i.e., whether they are likely to prevent or detect material misstatements or compliance violations on a timely basis;
- Whether internal control structure policies, procedures and records are operating effectively.

Auditing standards generally accepted in the United States of America require the auditor to document our understandings of the internal control structure elements. The form and extent of documentation is flexible. Generally, the more complex an entity's internal control structure and the more extensive the procedures performed to obtain the understanding, the more extensive our documentation should be. In addition to memos, we plan to use specific designed forms and questionnaires to document our understanding of the internal control structure. Recent changes in auditing standards, known as the risk assessment standards, denote that the auditor is not required to test internal control so as to rely on them to reduce other test work, but do not allow for only inquiry procedures related to internal control. We are required, and will perform, other procedures, such as walkthroughs and observation, related to controls over significant financial statement and audit assertions.

Approach to be Taken in Determining Laws and Regulations to be Subject of Audit Test Work

Our approach to be taken to determine the laws and regulations that will be subject to audit test work will include procedures designed to identify requirements found in legal or legislative data, administrative regulations, and documents associated with grant and contract arrangements. The following procedures and policies will be applied depending on the nature and materiality of the laws and regulations:

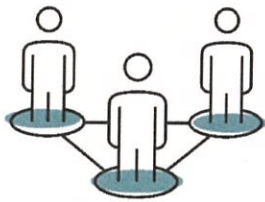


- During the planning phase, the type of audit to be performed, as it relates to compliance matters, will be communicated to all personnel assigned to the engagement.
- Obtain a list of all federal award programs from which the client received and expended funds and identify, using the prescribed risk based approach, the major programs required to be audited. If a program-specific audit is required, identify the award program to be audited.
- Identify applicable state and local statutory and regulatory requirements and contractual requirements.
- Plan and document the audit procedures to be performed relative to material state and local statutory and regulatory requirements and contractual requirements.
- Perform and document federal, state, and local statutory, regulatory and contractual compliance audit procedures as deemed to be applicable and appropriate during the planning stage of the engagement.
- Make specific inquiries of management concerning the following matters:
 - The Town's compliance with laws and regulations.
 - The Town's policies relative to the prevention of statutory, regulatory and contractual violations.
 - The use of directives issued by the Town and periodic representations obtained by the Town from officials and other management personnel at appropriate levels of authority concerning compliance with laws and regulations.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

Applicable auditing standards state that, in testing for compliance with laws and regulations, the number, selection, and testing of transactions is based on the auditor's professional judgment. None of the guidelines, primarily AU-C Section 250, explain whether this requirement to select a representative number for testing compliance means that audit sampling is necessary.

The two possible approaches to audit sampling are nonstatistical and statistical. AU-C Section 530 *Audit Sampling* indicates that both of these approaches are capable of producing sufficient evidential matter, if properly applied. The types of procedures that are applied are not determined by the sampling approach used. Either approach may be used to apply whatever tests of details deemed necessary in the circumstances. The importance of professional judgment cannot be overemphasized as it applies to the evaluation of the adequacy of evidential matter generated by the sampling approach. Regardless of the sampling approach selected, we will properly plan, perform, and evaluate the results of the sample.



Professional judgment must be used to relate the sample results to other evidential matter when we form a conclusion about compliance with laws and regulations. It should be noted, however, that not all tests of compliance or controls are transaction related. If we decide to use audit sampling, attention is focused on which sampling approach (statistical or non-statistical) to use. Substantial information is given in the AICPA Sampling Guide and several college and professional books on the use of various statistical sampling approaches.

The basic requirements that relate to all compliance related samples, statistical and nonstatistical, are as follows:

- **Planning.** We will relate the population to the objective of the audit test; i.e., defining the population and sampling unit.
- **Selection.** We will select items that can be expected to be representative of the population.
- **Evaluation.** We will project sample results to the population and consider sampling risk.

In a compliance sampling application, the population is defined as all items that constitute the account balance or class of transactions, or the portion of the balance or class, being tested (i.e., all expenditures of the Town above a certain threshold required to be bid). The population for a substantive sample usually is the account balance or class of transactions excluding those items selected for testing because of individual significance. The term individually significant item encompasses two types of items:

- Individually significant dollar items
- Unusual items (that is, items that have audit significance by their nature)

Due to the nature of tests of controls or compliance, we ordinarily are not concerned with identifying individually significant items when tests of controls or compliance are performed using audit sampling. Sampling results can be projected only to the population from which the sample is drawn. The use of the wrong population for a sampling application could mean that conclusions based on the sample are invalid for our purpose.

The sampling units are the individual items that are subjected to tests and that represent the components of the population. It is important to properly identify the sampling unit before the sample is selected to produce an efficient and effective sampling application. Examples of sampling units would be individual capital disbursements, etc. The determination of the specific sampling unit is influenced by the following considerations:

- The sampling unit should produce an efficient sampling plan.
- The sampling plan must be effective to accomplish its objectives.
- The nature of the audit procedures can determine the sampling unit to be used. AU-C Section 530 requires a "representative sample". There are several commonly used methods of selecting samples that meet the criteria of representativeness stipulated by AU-C Section 530. The following are some of those methods: random (can be statistical or nonstatistical), systematic (can be statistical or nonstatistical), or haphazard (nonstatistical).

We will evaluate whether the sample selected seems representative of the population to be tested. If the sample does not seem representative, we would reselect. For all items in the population to have a

chance to be selected, we will determine that the sample population actually includes all the items (e.g., capital disbursements, etc.) comprising the balance. There are many ways to determine the completeness of a sample population, including:

- If the sample is selected from a trial balance, we can foot the trial balance and reconcile the total to the account balance.
- If the items are numerically sequenced, we can scan the accounting records to account for the numerical sequence of items in the population and select the sample from that sequence.



The two sampling forms presented both include a step that allows the auditor to document how the completeness of the sample population was considered. Whenever practical, we will consider using random selection (with a random number table or microcomputer-generated numbers) or systematic selection. Haphazard selection may be used when the population is not numbered or when other circumstances make use of a random-based method impractical. Using one of these random-based methods does not make the sampling application statistical.

The evaluation of sample results has two aspects. We will need to project the noncompliance. Also, we will need to consider the sampling risk. In a statistical sample, sampling risk must still be considered and restricted to a relatively low level but cannot be objectively measured. This is the primary conceptual distinction between statistical and non-statistical sampling. In the two non-statistical sampling approaches presented in this section, sampling risk is assessed by considering whether the rate or amount of exceptions identified in the sample exceed the expected rate or amount of exceptions used in designing the sample.

Methodology to be Used in Performing the “Risk Based” Approach in Determining Major Federal Programs

The Uniform Guidance of 2 CFR 200 (the “Uniform Guidance”), which replaced OMB Circular A-133 in implementing the audit requirements of the Single Audit Act, states that the auditor should use a risk based approach to determine which federal programs are major programs. The Uniform Guidance also places the responsibility for identifying major programs on the auditor, and provides criteria for the auditor to use in applying a risk based approach. In evaluating risk, we will utilize the prescribed approach which considers, among other things:

- The current and prior audit experience with the Town
- Oversight by the federal agencies and pass-through entities, and
- Changes in personnel or systems.

We will utilize Firm governmental manuals and the Uniform Guidance to apply the risk based approach as illustrated in the following steps:

- We will obtain the government’s schedule of expenditures of federal awards identifying each program/cluster.
- We will identify the programs/clusters with expenditures that meet the dollar threshold for Type A.
- We will perform risk assessment of the Type A programs/clusters to determine if any are low-risk programs and if they are not low-risk, they will be identified as major programs under the risk based approach.

- For programs/clusters with expenditures that do not meet the dollar threshold for Type A, they will be identified as Type B programs and evaluated as to whether each Type B has expenditures that meet the dollar threshold for risk assessment and whether the Type B is considered a high-risk program.
- The total dollar amount of major programs determined in steps 3 and 4 above will be compared to the total federal expenditures to ensure the appropriate coverage is obtained. The major program expenditures must be at least 20% of total federal expenditures if the Town is deemed a low-risk auditee and at least 40% if the Town is not considered low-risk.

The standards allow for the risk criteria described above to be waived in the first year after a change in auditors. Exercising the waiver would result in all Type A programs/clusters being audited as major programs. We would consider this option and compare the major program determination using this method to that of the risk based approach in performing the Single Audit of the Town for the first year a Single Audit is required.

Remote Audit Approach As Requested

Governmental organizations are choosing remote audits with increasing frequency, and Mauldin & Jenkins is very effective in working from a remote environment. The spring of 2020 brought an increasing demand for remote audits due to the spread of COVID-19 and the inability for work to be conducted on site. However, even before the complexities brought on by the spread of COVID-19, many organizations opted for remote audits for a variety of reasons. It will be the Town's preference whether to conduct the audit remotely, but should you desire this service delivery option, Mauldin & Jenkins is trained to conduct remote audits while maintaining all professional standards.

Remote audit engagements offer significant advantages over those that follow a more traditional format: faster results, less disruption, and reduced stress for governmental finance personnel. Current technology allows our clients and their audit teams to stay in regular communication, securely share information, and collaborate effectively. Our staff professionals have grown accustomed to being provided read-only access to client systems to run reports, view purchase orders, invoices, reconciliations, etc. As a result, work that used to require extended on-site time can be performed anywhere, easing the burden on the audit process for both the auditor and auditee.

Though audits can still require some on-site time, reconfiguring the Town's audit engagement to maximize efficiency and to take advantage of technological tools can dramatically reduce the amount of time spent on-site. While the remote audit can generate far less disruption for the organization undergoing the audit, it does not necessarily reduce client contact very much – or even at all. As we leverage the technological tools at our disposal (Suralink, Zoom, LeapFile, Google Hangouts, etc.) we maintain consistent contact with our clients throughout the process and find that in many ways, communication between our teams and clients are as good, if not better, in the remote working environment than during traditional onsite engagements.



A successful audit experience requires careful planning, timely preparation and strong communication, regardless of where the work takes place. That is especially true for a remote engagement, so preparing for this type of audit sometimes helps organizations identify ways to improve their internal data management strategies – a welcome bonus! We are proud of the strong governmental practice we've built and it's upon that foundation that we can leverage these technological tools to conduct remote audits as the environment demands or the client chooses.

Additional Information of Value Added Services

Upcoming GASB Statements

As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards for which we will utilize our continuing education trainings and governmental newsletters. Additionally, we regularly assist our clients with understanding and implementing these new standards. The standards which will be implemented in the near future:

Statement No. 87, *Leases*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Statement No. 96, *Subscription-Based Information Technology Arrangements*

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

Re-Examination of the Financial Reporting Model

Revenue and Expense Recognition

Compensated Absences

Prior-Period Adjustments, Accounting Changes, and Error Corrections

Free Continuing Education for Governmental Clients

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

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

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



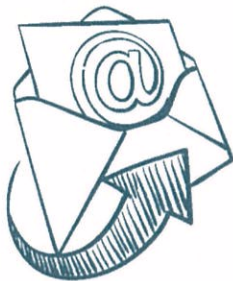
Examples of subjects addressed in past quarters include:

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



- Procurement Card Red Flags
- Risk, Efficiency, & Effectiveness in Governments
- Segregation of Duties
- Single Audits for Auditees
- SPLOST Accounting, Reporting & Compliance
- Uniform Grant Guidance

Governmental Newsletters



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

- Are Your Government's Funds Secure?
- COVID-19 Updates (several)
- Cybersecurity Awareness
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- Form PT 440
- GASB Invitation to Comment – the New Financial Reporting Model
- GASB No. 72, Fair Value, It is Not Totally About Disclosure
- GASB No.'s 74 & 75, Other Post-Employment Benefits (OPEB)
- GASB No. 77, Abatements – Go Viral with GASB 77
- GASB No. 84 Fiduciary Activities (Series)
- GASB No. 87, Leases
- GASB No. 89, Accounting for Interest Cost Incurred Before the End of Construction
- GASB No. 91, Conduit Debt Obligations
- GASB No. 93, Replacement of Interbank Offered Rates
- General Data Protection Regulation (GDPR)
- Grants Management
- OMB Compliance Supplements
- OPEB, What You Need to Know
- Public Funds and Secure Deposit Program
- Rotating or Not Rotating Auditors
- Property Tax Assessments
- Remote Auditing Best Practices
- Refunding Debt

You are the best auditors I have ever worked with over my career. It is a big difference having a group that is dedicated to governmental accounting.

Wesley Ropp,
Charleston Water System,
Chief Financial Officer

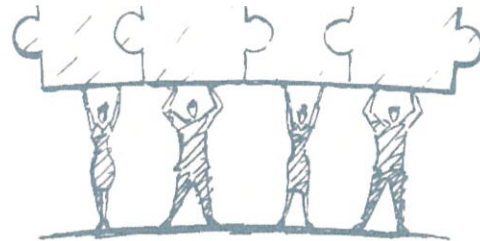
- Sales & Use Taxes on Retail Sales of Jet Fuel
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Subrecipient Risk Assessment Tool
- 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 board;
- 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;
- A summary of the free continuing education and newsletters made available to the government during the past year.

Mauldin & Jenkins Partner Joel Black
Appointed GASB Chairman



In 2020, the Financial Accounting Foundation's board of trustees appointed Joel Black, partner-in-charge of Mauldin & Jenkins audit practice, the next Chairman of the Governmental Accounting Standards Board.

"I am very excited to take on this new professional challenge. I have been immersed my entire adult life in the important, complex world of governmental accounting. I am eager to join my new colleagues in the mission to establish and improve accounting standards, and to engage with the remarkably diverse groups of stakeholders who care so much about public sector financial reporting."

"Joel Black has a longstanding and demonstrated commitment to the mission and work of the GASB and will make an excellent chair," said Financial Accounting Foundation Chairman Kathy Casey in a statement. "He brings extensive knowledge and experience to the role and has genuine appreciation for the opportunities and challenges that our stakeholders face as accounting standards change. We are pleased to welcome him to the organization and look forward to his future leadership."

Closing

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

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

Appendix A

Audit Proposal Summary Sheet

Attachment B

Town of Kiawah Island

Audit Proposal Summary Sheet

Name of the firm: Mauldin & Jenkins, LLC

Address: 6600 Abercorn Street
Suite 200
Savannah, Georgia 31405

Phone number: 800-277-0050

Contact person: David Irwin

Persons responsible for audit # years with the firm
 (Please include qualifications (i.e. Resumes) of those available and to be assigned)


Partner:	<u>David Irwin</u>	<u>19</u>
Manager:	<u>Kellan Shuford</u>	<u>9</u>
Senior:	<u>Taylor Couch</u>	<u>3</u>
Staff:	<u>Brenna Burke</u>	<u>2</u>

	Audit, W/Opinion Fee (Not to Exceed)	Single Audit (if applicable)
2023	<u>\$29,900</u>	<u>\$5,000</u>
2024	<u>\$30,900</u>	<u>\$5,000</u>
2025	<u>\$31,900</u>	<u>\$5,000</u>
2026	<u>\$32,900</u>	<u>\$5,000</u>

Comments: _____

REFERENCES

Government Entity	Contact Person	Phone Number	Years of Engagement
1. Please see page 28 of our			
2. proposal			
3.			



 Signature

Partner

 Title

December 16, 2022

 Date

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 elsewhere in our proposal, we provide free quarterly continuing education classes to our clients. This could amount to approximately \$3,000 of annual savings for the Town's estimated finance department per person.

Note (3) – Additional Services: If it should become necessary for the Town to request Mauldin & Jenkins to provide any additional services (such as bond issuances, etc.), then such additional work shall be performed only if set forth in an addendum to the contract between the Town 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 Town including all reimbursement for travel, lodging, communications, etc. So long as there are no significant changes in the operations of the Town and or the scope of services requested or significant problems requiring additional time, **our quoted fees will not change.**

Note (5) – Single Audit: The Town's Request for Proposal (RFP) noted the possibility of a Single Audit being required from time to time. The cost quoted on the Audit Proposal Summary Sheet is per major program required to be audited in accordance with the Uniform Guidance.



800-277-0050

www.mjcpa.com



Tab | 3

WAYS AND MEANS

Agenda Item



Request for Ways and Means Committee Action

TO: Ways and Means Committee Members

FROM: Stephanie Monroe Tillerson, AICP, Town Administrator

SUBJECT: Request from the Kiawah Conservancy in the amount of \$75,000 to participate in the protection and preservation of 5.63 acres located at 4434/4438 Betsy Kerrison Pkwy

DATE: February 14, 2023

BACKGROUND:

With the recent adoption of its 2030 strategic plan, the Kiawah Conservancy is expanding its conservation efforts into Johns Island by focusing on the Kiawah and Stone River watersheds.

The Conservancy submitted an application to the Charleston County Greenbelt Program for funding in the amount of \$359,700 to cover a significant portion of the purchase of two parcels on Johns Island along Betsy Kerrison Parkway – 4434 & 4438 Betsy Kerrison Parkway. The combined parcels were appraised at \$575,000. The subject properties are adjacent to land with pending preservation efforts, which would add to an area of contiguous preservation.

See the attached Application that the Kiawah Conservancy submitted to the Charleston County Greenbelt Programs Application for Funding. The breakdown of the requested amount is shown in detail under the Project Budget. The grand total for the project is \$629,200.

- \$359,700 Greenbelt Funds – pending approval
- \$269,500 Match Funds
 - Kiawah Conservancy (\$194,500)
 - Town of Kiawah Island (\$75,000) – pending approval

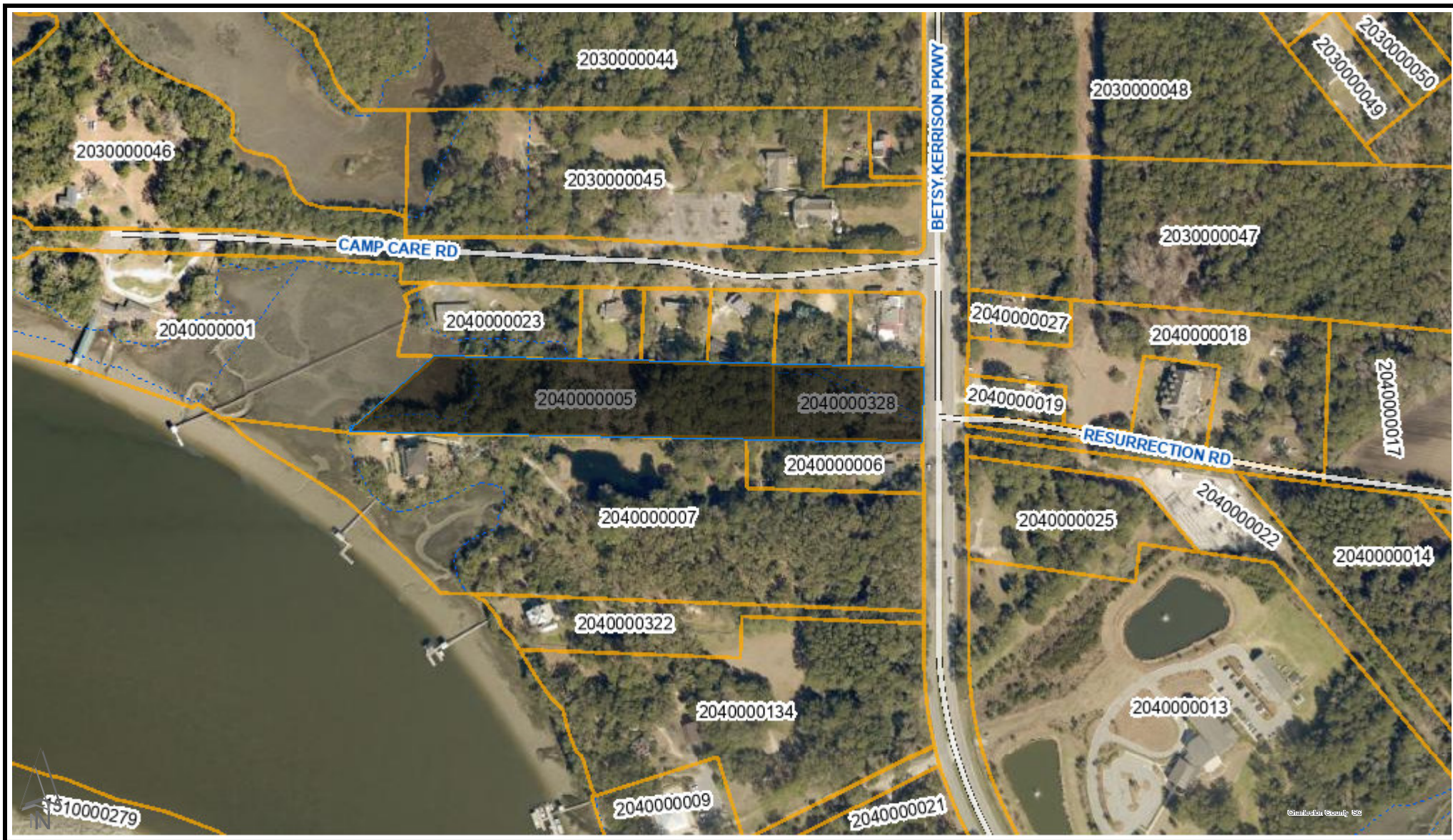
Kiawah Conservancy is offering \$550,000 to purchase both parcels. The committee will consider their application on March 8, 2023.

ACTION REQUESTED:

Town staff respectfully request that the Ways and Means Committee members consider recommending to the Town Council approval of the requested amount from the Kiawah Conservancy in the amount of \$75,000.

BUDGET & FINANCIAL DATA:

The amount is not budgeted in FY23; the funds will come from our General Operating account.



Charleston County SC

#

Note: The Charleston County makes every effort possible to produce the most accurate information. The layers contained in the map service are for information purposes only. The Charleston County makes no warranty, express or implied, nor any guaranty as to the content, sequence, accuracy, timeliness or completeness of any of the information provided. The County explicitly disclaims all representations and warranties. The reader agrees to hold harmless the Charleston County for any cause of action and costs associated with any causes of action which may arise as a consequence of the County providing this information.



Author: Charleston County SC
Date: 2/13/2023



Charleston County Greenbelt Programs Application for funding

Application Deadline: Jan 30th @ 10:28:31 AM

For Office Use Only

Application #: _____

Date Received: Jan 27th @ 01:39:30 PM

Project Information

Are you applying for Rural or Urban funds?

☒ Rural

☐ Urban

Project or Park Name

Betsy Kerrison Nature Trail

Provide an overview of the project

With the recent adoption of our new strategic plan, the Kiawah Conservancy is expanding its conservation efforts into Johns Island. Our current focus for Johns Island is along Betsy Kerrison Parkway, Bohicket Road and the Southern end of River Road. We are prioritizing properties in this area based on their impact on the surrounding watershed, cultural significance, view-shed and community support. This project in particular is our stepping stone into Johns Island. The subject property is directly adjacent to lands with pending preservation efforts, which would therefore add to an area of contiguous preservation. The project also protects critical habitat for traveling wildlife and natural infrastructure in an area facing high development pressures. Finally, preserving this site would protect view-shed along the Parkway and ultimately help preserve the rural nature that defines Johns Island.

Total Greenbelt Funds Requested:

\$359,700.00

Total Acres

5.63

Applicant Information

Organization Name

Kiawah Island Natural Habitat Conservancy

Is the organization a non-profit?

☒ Yes

☐ No

All non-profits must include the following attachments.

2022 BOT and Staff Listrevised.pdf

Articles of Incorporation.pdf

Mailing Address

Street 1

80 Kestrel Court

Street 2

City

Kiawah Island

State

SC

Zip

29455

Authorized Agent

Name

Roland Hoffman

Title

Chairman

Phone

 (704) 576-0246

Email

 hoffman_roland@yahoo.com

Contact Person**Name**

Colin Farah

Title

Land Preservation Specialist

Phone

 (843) 998-0635

Email

 collie@kiawahconservancy.org

Describe projects of similar size and scope that your organization has successfully completed in South Carolina.

Rabbit North: TMS# 207-00-00-033, 4.62 Acres, Fee-Simple Ownership

The was a collaborative conservation project between the Kiawah Conservancy, Kiawah Resort Associates, and Kiawah Island residents. This property was subject to residential development when the developer and landowner, Kiawah Resort Associates, gave the Conservancy the opportunity to purchase the property. Through community outreach, the Kiawah Conservancy was able to raise the sale price, 1 million dollars, to acquire the property. Similar to the Betsy Kerrison Nature Trail, Rabbit North consists of maritime forest adjacent to marshland and protects natural resources critical to the ecological health of Kiawah Island. Rabbit North also lies adjacent to a heavily traveled roadway and protects the scenic view coming on to Kiawah Island. Today, this property is maintained to its natural state for the use of local wildlife. Access is granted to people interested in viewing the property accompanied by Conservancy staff.

List the names of persons and/or entities who will participate financially in this transaction (e.g. realtors, brokers, anyone receiving a commission from sale). Provide their role in the transaction.

Kiawah Conservancy - Purchaser and Fund Source

Charleston County Greenbelt - Fund Source

Mason C. Heyward - Seller

Pam Harrington - Realtor - Pam Harrington Exclusives

Lenny Krawcheck - Closing Attorney - Krawcheck and Davidson, LLC

Property Information

For assistance with property information, please visit the [Charleston County website](#). Under the Online Services section, use the [GIS Parcel Viewer](#) or the [ROD Document Search](#)

Landowner's Name

Mason C. Heyward

Is the landowner an LLC, Limited Partnership, or any other entity?

☐ Yes

☒ No

Landowner's Mailing Address

Street 1

4429 Betsy Kerrison Parkway

Street 2

City

Johns Island

State

SC

Zip

29455

Property Address

(if property is not yet addressed list nearest cross streets in street fields)

Street 1

4434 Betsy Kerrison Parkway

Street 2

4438 Betsy Kerrison Parkway

City

Johns Island

State

SC

Zip

29455

Jurisdiction

Is the property located in unincorporated Charleston County?

☒ Yes

☐ No

Projects located within municipal limits inside of the Urban Growth Boundary require proof of an endorsement for the project from the relevant governing body, which the applicant will upload in the Attachments section of this application. Endorsement must acknowledge amount of funding requested by the applicant and the Parcel ID numbers for the subject property.

Number of parcels

2

Acreage Distribution - 5.63 total

Acres forested

4.938

Acres cleared / open

0

Acres wetlands

0.69

Charleston County Tax Map #(s)

204-00-00-005 & 204-00-00-328

Current zoning status

AGR

Assessor's Plat and Lot Numbers

L21-0358

Deed Book and Page Number

0898-767

Describe the current uses on the land

Vacant and a past dumping site for trash

Site Accessibility

Is the property accessible by a road?

☒ Yes

☐ No

Types of road

☐ Unimproved ☒ Improved

Improved road name(s)

Betsy Kerrison Parkway

Water Access

Does the property have access to water?

☐ Yes

☒ No

Acquisition Information

Type of Acquisition

☒ Fee Simple

☐ Conservation Easement (Purchase of Development Rights)

☐ Minor Improvements Only (See note below)

Note: Beach municipalities (Folly Beach, Isle of Palms, Kiawah Island, Seabrook Island and Sullivan's Island) may apply to use their greenbelt funds to place allowable minor improvements on property currently owned by the municipality. The improvements would be restricted to those allowed in the Comprehensive Greenbelt Plan: boardwalks, foot bridges, unpaved trails, unpaved roadways and unpaved small parking areas. The municipality must agree to place the land under the Greenbelt Program's covenants and restrictions.

Method of Payment (Choose One)

☐ Bargain Sale
(seller has committed to donating a portion of the appraised property value)

☒ Lump Sum Payment at Closing

☐ Reimbursement for Previously Purchased Land Property
(closing must have occurred within 12 months of application submission; no guarantee of approval)

☐ Reimbursement of Allowable Minor Improvements – only available to Beach communities

☐ Other

Fair Market Value

Note: Greenbelt funds may only be used to purchase interest in lands at or below fair market value pursuant to a certified appraisal. Providing a **FULL** appraisal is the preferred method of substantiating Fair Market Value. However, if an appraisal is not attached, an adequate substantiation of estimated Fair Market Value must be provided. A qualified and competent appraisal establishing fair market value and/or the value of the proposed easement will be required prior to closing. Date of the appraisal cannot be more than one year prior to the date County Council approves the greenbelt project unless otherwise approved by the County. Also, an appraisal may be required at any time during the review of the application. Not providing an appraisal may cause the project to be deferred to another funding cycle. The County reserves the right to order a separate appraisal on the subject property.

If available, attach the full appraisal (not just a summary) to the application

Do you plan on including an appraisal with your application?

☒ Yes

☐ No

Appraised fair market value

\$575,000.00

4434 Betsy Kerrison Parkway, Appraisal as of 12-02-2022, Report Dated 12-21-2022.pdf

Charleston County Greenbelt Program does not fund the value of existing structures. However, the applicant may fund the value of the structures and this amount will be considered applicant match. If the property contains structures, the appraisal must include separate values for land value and value of structures.

Does the land contain structures

☐ Yes

☒ No

If the property contains structures, the appraisal must include a separate raw land value and value for the structures.

Project Budget

Provide a project budget in the table below. Funds from the Greenbelt Program may be used for administrative costs and expenses customary and reasonable to the acquisition of property. Note Greenbelt funds cannot be used to pay for property taxes or deed stamps.

Allowable costs incurred by the applicant during the application process will not be reimbursed if the project is denied.

Land

The amount of land match will be the difference between the Greenbelt funds requested and either the purchase price or the appraised value (whichever is larger). Include all applicant contributions (including awarded grant funding, fund balance contribution, etc.) and/or landowner donation value (bargain sale amount) as land purchase match in this section.

Greenbelt Funds	Match	Total
\$345,000.00	\$230,000.00	\$575,000.00

Allowable Minor Improvements

Only the following minor improvements may be paid for with Greenbelt Funds – unpaved roadways, unpaved small parking areas, unpaved trails, boardwalks and footbridges.

Greenbelt Funds	Match	Total
\$9,500.00	\$8,000.00	\$17,500.00

Other Planned Improvements

Improvements that cannot be funded with Greenbelt funds such as sitework, buildings, restrooms, paving, lighting, etc. These improvements may be considered as match to the project. Proof of dedicated funding may be required.

Greenbelt Funds	Match	Total
0	\$26,500.00	\$26,500.00

Environmental Survey Assessment (ESA)

A Phase 1 ESA must be conducted on each greenbelt property prior to closing. The ESA does not need to be completed during the application process.

Greenbelt Funds	Match	Total
\$2,000.00	\$0.00	\$2,000.00

Appraisal

A full appraisal report less than one year old is required prior to closing and strongly encouraged to be included as part of the application and review process.

Greenbelt Funds

Match

Total

\$1,200.00

\$0.00

\$1,200.00

Survey / Plat

An approved, recorded plat or boundary survey indicating the subject parcel's property lines is required prior to closing. Survey/Plat must show actual acreage and boundary lines of the property or portion of the property being funded with Greenbelt monies, unless otherwise approved by the County.

Greenbelt Funds

Match

Total

\$0.00

\$5,000.00

\$5,000.00

Closing Costs

Eligible costs include items such as reasonable attorney fees, recording fees, title search, etc. Greenbelt funds cannot pay for property taxes or deed stamps. Greenbelt always pays for its portion of title binder and title policy premium separate from the project budget. Do not include those costs here.

Greenbelt Funds

Match

Total

\$2,000.00

\$0.00

\$2,000.00

Other

Include the total of all other match sources not accounted for above, including any in-kind match, value of existing structures, etc. here. Applicant must detail all 'Other' expenses below.

Greenbelt Funds

Match

Total

0

0

\$0.00

Grand Totals

Greenbelt Funds

Match

Total

\$359,700.00

\$269,500.00

\$629,200.00

Match Details

Based on the information provided in the budget above, the match percentage is **75 %**.

Provide a breakdown of the Match being offered:

Applicant Amount

\$269,500.00

Landowner Donation Amount

\$25,000.00

Have you received any grants for this project?

☐ Yes

☒ No

Have any additional match?

☐ Yes

☒ No

Any In-Kind Match?

☐ Yes

☒ No

Did the applicant apply for other grants that were not funded?

☐ Yes

☒ No

Project Criteria

Each project will be reviewed using the following criteria and the associated score applied. **NOTE: Each item must include a description of how this project meets the particular elements of that criteria.**

1. Meets Greenbelt Definition (Choose the definition that most applies) - Max 8 points

A project may meet several definition categories but will only be assigned points for one category.



Passive Greenspace - 8 points

Trails, greenways, interpretive parks, and access points for water activities, such as fishing, crabbing, boating, etc.



Lowcountry natural resources - 7 points

Upland forests, swamps, bogs, brackish and freshwater wetlands, Carolina bays, marsh islands, and cypress, backwater, and saltwater marshes.



Natural infrastructure - 6 points

Floodplains, wildlife habitat, riparian zones, and lands critical to clean water.



Heritage landscapes - 5 points

Irreplaceable cultural and historical landscapes unique to the county.



Corridors - 4 points

Scenic roadways, abandoned rail lines, utility corridors, and scenic waterways.



Active Greenspace - 3 points

Play fields and parks with low environmental impact.



Reclaimed Greenspace - 2 points

Brownfields, abandoned sites, and other green infill projects.



Productive Landscapes - 1 point

Lands used for agriculture, silviculture, and mariculture.

Describe in detail the proposed uses for the property:

In large, this property will be left in its natural state for traveling wildlife and natural infrastructure. A nature trail will be constructed to educate visitors on the habitat within and will lead to a viewing bench or outdoor classroom seating overlooking the marsh adjacent to Bohicket Creek.

Explain in detail how the land's current characteristics meet one of Greenbelt definitions and/or how the proposed uses will meet the definition:

The project land best meets the Greenbelts definition of Passive Greenspace. The subject property contains a variety of forest types, including pine, evergreen oak and ruderal forests. High marsh and marsh edge can be found at the Western end of the property as it approaches Bohicket creek. An unpaved nature trail will connect from the existing sidewalk adjacent to Betsy Kerrison Parkway and will extend the length of the subject property to a viewing bench or outdoor classroom setting. Throughout the trail will be signage, educating visitors on the native vegetation.

If the project meets more than one definition, explain the reason for choosing your preferred definition

Given the different ecosystems within, the subject property does meet the Greenbelt definition of Lowcountry Natural Resources. The reason we instead chose Passive Greenspace is because there will be a nature trail that educates visitors on those natural resources.

2. Meets the Greenbelt Vision (Choose One) - Max 4 points

A project may meet several vision categories but will only be assigned points for one category.

- ☐ Greenspace for public waterway access and use (fishing, crabbing, canoeing and/or kayaking) – 4 points
- ☐ Linkage to a blue trail – 2 points
- ☒ Trail/corridor connected to either a greenspace; trail/corridor; neighborhood; or retail/jobs center – 2 points
- ☐ Greenspace connected to a trail/corridor; another greenspace; neighborhood; school; retail or jobs center – 2 points
- ☐ N/A

Provide specific details of how the project meets the Greenbelt Vision, including the name(s) of the waterway, greenspace, trail, neighborhood, retail, and/or school it will link to:

A path will be defined from the existing side walk along Betsy Kerrison through the property to a viewing bench and/or outdoor classroom overlooking the marsh along Bohicket Creek.

3. Meets Greenbelt System Components (Choose All that apply) - Max 6 points

Greenway Corridors - 1 point

- ☐ Regional connections for rural and urban residents, using a sustainable form of transportation: walking and biking. Greenways would be 50-foot wide corridors that connect existing and future greenspaces.

Urban Greenbelt Lands - 1 point

- ☐ Urban parks, cultural/historic sites, reclaimed greenspaces and water access lying within the County's Urban Growth Boundary. Conservation of greenspace to assist in offsetting the negative impacts of increased density.

Rural Greenbelt Lands - 1 point

- ☒ Rural parks, cultural/historic sites, productive lands, and water access lying outside the County's Urban Growth Boundary. Undeveloped lands used for timber production, wildlife habitat, recreation and commercial fishing, and limited agriculture. Also areas that encompass significant acreage of fresh, brackish, and saltwater tidal marshes as well as important habitat for nongame and endangered species.

Francis Marion National Forest - 1 point

- ☐ Lands lying within the proclamation boundary of the Francis Marion National Forest that will provide educational and recreational opportunities, including hunting, camping, biking and hiking and provide further conservation and protection of wildlife habitat within the unprotected areas of the Forest.

CCPRC Regional Parks - 1 point

- ☐ Lands purchased by the Charleston County Park and Recreation Commission for both passive and active greenspaces.

Lowcountry Wetlands - 1 point

- ☒ Wetland protection for critical areas throughout Charleston County, in both rural and urban landscapes. Can provide water-based activities but main benefits are enhanced water quality, and preventing disturbances to areas that provide critical floodwater storage and filtration.

Explain in detail how the project meets all of the components chosen

The undeveloped land falls outside the Urban Growth Boundary Line and is used by wildlife for traveling, resting and feeding. The habitat types within represent those used by several of our local endangered species such as the Bald Eagle, Eastern Diamond-backed Rattlesnake, Little Blue Heron and more. With this area containing and being directly adjacent to marshlands, this area is critical for mitigating stormwater runoff from nearby impervious surfaces by filtering runoff before entering the local waterways. Additionally, the property enhances the ability for stormwater to percolate into native soils and recharge the subsurface groundwater.

4. Addresses public access and use (Choose One) - Max 5 points

- ☐ Greenspace with full public access – 5 points
- ☒ Greenspace with partial public access (partial = land manager restricts days/hours of week) – 2 points
- ☐ Greenspace with limited public access (limited = access by landowner invitation at least once annually) – 1 point
- ☐ No public access – 0 points

Provide specific details of how the project addresses public access and use, including hunting, fishing, or other forms of outdoor recreation:

An unpaved trail will connect from the existing sidewalk along Betsy Kerrison Parkway to a viewing bench and or outdoor classroom setting at the Western end of the property. Signage will be included along the trail to educate visitors on the native vegetation and wildlife that can be seen in this area.

Provide an anticipated schedule of what days and hours the property/park will be open to the public.

The Nature Trail will be open to the public every day of the week with restricted hours from sunrise to sunset. Throughout most of the year, the trail will be open from sunrise to sunset. Trail closures will happen at least twice annually when we are performing vegetative and trail maintenance. Trail closure also might take place during the breeding season for bobcats (February - March)

Describe how property or portions of the property will be rented or leased for events such as weddings, family reunions, fund-raisers, sports events, farming/gardening, etc.

None

Describe the improvements planned for the property

☐ Unpaved small parking area

☐ Unpaved roads

☒ Unpaved trails

20,200

sqft

1,350

ft

☒ Boardwalks

60

sqft

20

ft

☒ Footbridges

30

sqft

10

ft

Any other improvements not listed here?

☒ Yes

☐ No

Other Improvements

Viewing Bench
Outdoor Classroom
Native Plant Signage
Trail Signage
Preserved Property Signage
Native Plantings
Irrigation
Outdoor lighting
Debris Removal
Professional Vegetative Maintenance
Trail Cameras
Gravel and Edging

5. Protection of wildlife habitat (Choose One) - Max 5 points

☒ Protects wildlife habitat of endangered or threatened species – 5 points

☐ Protects wildlife habitat of any species – 2 points

☐ No wildlife habitat protection – 0 points

List the specific species habitats to be protected:

Habitat Types: High marsh, marsh edge, hardwood forest

Endangered or Threatened Species: Great Blue Heron, Eastern Diamond-Backed Rattle Snake, Monarch Butterfly, Little Blue Heron, Bald Eagle, Red-headed Woodpecker, Grand Trees

Provide details of how preserving this land will protect those habitats. Include to what extent farming, forestry, timber management, or wildlife habitat management will be conducted on the land and the parties responsible for managing and maintaining the land:

This land will be left in its natural state to remain wildlife habitat forever. Annual maintenance will be conducted on the property to trim and clear vegetation for optimal vegetative health. Native plantings will be installed to help define the buffer between adjacent properties and irrigation will be installed to ensure their success.

6. Protection of Lowcountry Natural Resources and Natural Infrastructure (Choose ALL that apply) - Max 7 points

- ☒ **Upland forests – 1 point**
Occurs where drainage is sufficient so that soils do not become saturated for extended periods of time. They range from xeric (extremely dry) through mesic (moderate soil moisture) to wet-mesic (wet, but not flooded soil conditions)

- ☐ **Freshwater or forested wetlands - 1 point**
Emergent and forested freshwater (<0.5 ppt salt) wetlands dominated by herbaceous plants or trees, respectively, upstream from brackish marshes but where water level changes are still tidally influenced

- ☒ **Saltwater marsh, marsh and/or marsh islands – 1 point**
Intertidal emergent wetland dominated by grasses, forbs, and shrubs that are tolerant to salinity ranges from moderate to essentially that of sea water (18- to 30-ppt salt)

- ☐ **Riparian zones – 1 point**
The interface between land and a river or stream. Riparian is also the proper nomenclature for one of the fifteen terrestrial biomes of the earth. Plant habitats and communities along the river margins and banks are called riparian vegetation, characterized by hydrophilic plants

- ☒ **Floodpains - 1 point**
An area of land adjacent to a stream or river which stretches from the banks of its channel to the base of the enclosing valley walls, and which experiences flooding during periods of high discharge

- ☒ **Land critical to clean water – 1 point**
Land cover including forests, open spaces, bodies of water, agricultural cover (e.g. pastures, row crops), and impervious surfaces for watershed protection

- ☒ **Significant and/or grand trees – 1 point**
Such as Grand Live Oaks, Long Leaf Pine

Provide specific details for each of the natural resource/infrastructure categories protected and how preserving this land will protect these resources now and into the future:

The upland forest and understory will be managed to optimize its health through various management practices listed but not limited to; canopy trimming, dead limb removal, invasive species removal, hedging, competing vegetative maintenance and removal.

The low-lying areas and existing ditch will be cleared of debris to allow for water retention, movement and percolation into underlying soils.

Grand trees will receive appropriate attention to monitor their health and necessary actions will take place on their surrounding vegetation to ensure that the health of the grand trees is not being negatively impacted.

Signage will be posted to keep human traffic along the path and limit any negative impacts visitors could bring to the subject environment.

Groundwater well will be installed in the future to monitor subsurface groundwater to monitor the local hydrology, similar to the assessments conducted on Kiawah Island.

7. Historical and cultural features (Choose One) - Max 5 points

- ☐ Culturally significant land, or contains existing structures, remains of structures, earthworks, artifacts, etc. of historical significance – 5 points
- ☒ Documented historical event occurrence – 4 points
- ☐ Oral tradition of historical occurrence – 2 points
- ☐ No historical or cultural significance – 0 points

Provide specific details of the historic/cultural features of the land:

Haulover Cut, was an expansion carved out of the existing Haulover Creek to help facilitate trade between lower Johns Island, Wadmala Island, Charleston and Kiawah. Haulover Cut sits directly between Kiawah, Lower Johns Island and Seabrook. During the Civil War, In February of 1864, Union troops under General Alexander Schimmel Fennig attacked Confederate troops stationed at Haulover Cut. The overall objective was to stop Confederate troops from a larger action that Federal forces were planning in Florida. Ultimately, this would be named the Battle of Haulover Cut. During the battle, both Union and Confederate forces advanced and retreated down Bohicket Road (now Betsy Kerrison Parkway). Given the starting location of the battle and the paths of retreat and advancement, it is extremely likely that this Greenbelt Project is protecting land used within the battle of Haulover Cut. An article link is included below, and a map has been included in the attachments section of this application for reference.

<https://jicsc.org/index.php/battle-of-haulover-cut/>

Detail how preserving the land will ensure those historical and cultural features are preserved now and into future:

By preserving this land, we can ensure that no development will ever hide or change the land that once was a part of the Civil War.

If applicable, describe how the land will be used to educate others on its historical and/or cultural significance:

Signage describing the Battle of Haulover Cut could be placed on the property and show the movement between Union and Confederate soldiers.

8. Threat of Loss (Choose One) - Max 5 points

- ☒ Protects lands under threat of loss – 5 points
- ☐ Project poses unique opportunity not likely to present itself again – 2 points
- ☐ No threat of loss – 0 points

Provide specific details of how the project is currently under imminent threat of loss from development or other factors, or explain why the opportunity to protect this property will likely not exist in the future.

This property has been previously listed on the open market for sale and its current zoning would allow for residential use. There is the potential for another buyer to rezone the property for commercial use as it lies directly adjacent to a commercially zoned area. Over the past 2 years, several surrounding parcels including TMS#'s 2030000053, 2030000048, 2040000025, 2040000017, 2040000014, 2040000010 have been purchased by developers and/or been presented to the appropriate municipality for development.

Since the listing of this property on the open market, the seller has received bonafide offers and could likely be sold for some form of development if it is not preserved. This idea is further supported by the recent and ongoing increase of interest in property along Betsy Kerrison Parkway over the past year.

9. Consistent with Adopted Plans (Choose ALL that apply) - Max 5 points

☒ Greenbelt Plan – 2 points

☒ County/Municipal Comprehensive Land Use Plan – 1 point

☐ Regional Bike/Ped Plans – 1 point

☒ Other – 1 point

Describe the 'Other' adopted plan:

Kiawah Conservancy adopted its 2030 Strategic Plan in 2020 to define our operational direction for the next 10 years. In this plan, we describe several different directions for the organization in terms of preservation and stewardship of lands within the environs of Kiawah Island, restoration and enhancement of the ecosystem, research and monitoring for ecological health, communications and outreach, and relationships with our donors and greater community. In addition, it defined our new mission: "We measure, manage, improve, and advocate for the ecological health of Kiawah Island and its environs."

List all Plans addressed by the proposed project and what goals/purposes of each will be impacted:

In regard to the Greenbelt Plan, this project addresses the interest expressed by the public to the Greenbelt Advisory Board to protect Natural Resources and Passive Greenspace. Not only is this project area habitat for wildlife but serves as natural infrastructure for its surrounding community. This project would also serve as the first public walking trail off of Betsy Kerrison Parkway.

Within the Comprehensive Land Use Plan is the Land Use Element Goal that "Accommodates growth that respects the unique character of the county, " and "protects cultural and natural resources." Preservation of this land will protect both the unique character of rural Johns Island and natural resources needed for human and wildlife communities. Furthermore, preserving this land will help solidify the Urban Growth Boundary Line.

Provide name of 'Other' adopted plan and describe how the proposed project will address goals of that plan.

Kiawah Conservancy 2030 Strategic Plan

As part of the 2030 Strategic Plan are determined efforts to preserve and protect areas within the environs of Kiawah Island. The environs are further defined by the watersheds influencing the Kiawah River, which encapsulates Kiawah Island, Seabrook Island, and the southern portion of Johns Island. Much of Johns Island and Kiawah are connected through this watershed approach, acknowledging that the environmental impacts on Johns Island have a direct impact to other areas within the watershed. Also, it is important to know that traveling wildlife have no boundaries.

With this new plan, the Conservancy is expanding its preservation efforts into Johns Island through this watershed approach. By following the surrounding watershed, the Conservancy can prioritize conservation efforts around areas that directly influence the local hydrology. The Betsy Kerrison Nature Preserve protects critical land directly adjacent to Bohicket Creek. Preserving this land would help filter runoff before it enters the waterway. This land will also continue to provide traveling, resting, and feeding habitat for wildlife. Finally, protecting the ecological health of our environs goes beyond wildlife and also includes the local human community. Johns Island historically is a rural area and one of the few remaining areas in Charleston County with increased localized development that still has a strong agricultural and natural presence. By protecting this project area, we are protecting the rural nature that has defined Johns Island in perpetuity.

10. Project is ready for acquisition (Choose One) - Max 5 points

☒ Acquisition will take place within 6 months of approval – 5 points

☐ Acquisition will take place more than 6 months of approval - 2 points

Provide a projected timeline of acquisition of the land, including potential issues to be addressed before acquisition can occur:

The Conservancy had a scheduled closing date for the subject property on January 31th, 2023. A new closing agreement has been signed by the seller and the Conservancy to extend the closing date three to six months. This closing date is being pushed back due to recent findings from a preliminary title search during our due diligence phase. Closing will now take place when the property owner has secured clean title. The attorney representing Mr. Heyward, the seller, has indicated that clean title should be acquired no later than July of 2023.

The Conservancy Board has to vote for final approval before any land acquisition takes place and this property acquisition was approved at our December 13th Board meeting. All necessary closing due diligence, title search, appraisal, etc., will be completed by the closing date.

Provide a detailed explanation for acquisitions expected to take longer than 6 months from the date of approval:

N/A

11. Project is ready for public use (Choose One) - Max 3 points

- ☐ Property will be open to the public in less than 1 year – 3 points
- ☒ Property will be open to the public between 1 - 5 years – 2 points
- ☐ Property will be open to the public in more than 5 years – 1 point
- ☐ N/A

Provide a projected timeline for planned improvements including when you anticipate the property opening to public access.

The first step after closing is to have all the trash and debris removed from the property by a qualified contractor. In the first few months after closing, Conservancy staff and Board/Committee members will begin constructing a habitat management plan. This will include assessments from the Ecological Health Committee and Restoration and Enhancement Committee. Following the establishment of the plan, a professional landscaper will be contracted to perform vegetative maintenance throughout the property in accordance with the plan. This is to ensure the ecological health of the native vegetation and ensure safety of trail users. This will be followed by efforts to define the walking trail and the property boundary lines. Signage throughout the property will be implemented and native plantings will be installed. By the Spring of 2025, the trail will be fully functional with a viewing bench or outdoor other seating at the end. Once fully functional, the Conservancy will advertise the walking trail to the public through several outreach methods that will also include the hours of visitation.

If the development will occur in phases, give a completion date for each phase along with the final completion date and a detailed explanation if the public may enjoy any limited or partial uses of the land prior to being fully available:

Phase 1 - Construct Habitat Management Plan - Tentative Completion Date October 2023
Phase 2 - Vegetative Maintenance and Debris Removal - Tentative Completion Date early March 2024
Phase 3 - Trail Way and Buffer Construction - Tentative Completion Date September 2024
Phase 4 - Initial Advertisement and Public Outreach - Tentative Completion Date December 2024
Phase 5 - First Public Access - Tentative Completion Date April 2025 (around Earth Week)

For projects that will not be open to the public within 5 years after acquisition, provide a detailed explanation if the public may enjoy any limited or partial uses of the land prior to being fully available:

N/A

12. Funding and leveraging - Max 15 points

☐ Over 100% Match – 15 points

☒ 75% - 100% Match – 10 points

☐ 25% - 74% Match – 6 points

☐ 5% – 24% Match – 4 points

☐ Less than 5% Match – 0 points

13. Project Management (Choose ALL that apply) - Max 5 points

For fee simple and improvement projects, the applicant must demonstrate their expertise and financial resources to manage the land and the improvements for the purposes set forth in the application. For conservation easement projects, the applicant must demonstrate their expertise and financial resources to manage and enforce the restrictions placed upon the land for the purposes set forth in the application.

☒ Staff dedicated to land management, maintenance and deed restriction enforcement – 2 points

☒ Financial resources for land management - 2 points

☒ Staff experienced in financial management of land – 1 points

Provide the experience, credentials and expertise of the staff that will be managing the land, providing maintenance and/or enforcing the deed restrictions:

H. Colin Farah - Land Preservation Specialist - Graduated from Clemson University with B.S. in Environmental Science: Natural Resources Management ('19). He has over 15 years of experience in maintaining private agricultural lands and 2 years of professional experience in monitoring, stewardship, and enforcement of preserved lands of the Kiawah Conservancy.

M. Lee Bundrick, MS, MPA - Senior Ecological Health and Conservation Coordinator - Graduated from Clemson University with a B.S. in Horticulture ('15) and graduated from College of Charleston with an M.S. in Environmental and Sustainability Studies and a Master of Public Administration ('19). He has over 4 years of experience related to land stewardship, environmental research and monitoring, geospatial analysis, and restoration planning.

Provide information on how funding will be secured for the on-going management of the land and any planned developments:

Funding for ongoing management activities will be secured through private donations to the Conservancy. These funds are maintained in a dedicated account related to all stewardship activities for our portfolio of properties. Funding amount is determined by standards set by the Land Trust Accreditation Commission, as well as any additional funds determined by the Conservancy for annual monitoring and stewardship activities for individual properties. The account is continuously replenished to ensure there is proper funding for stewardship activities throughout the year.

Provide the experience, credentials and expertise of the staff that will be providing financial management of the land and any planned developments:

Donna Windham - Executive Director - Graduated from Mt. Vernon College - George Washington University with a B.A. in Public Affairs and a B.A. in Communication. She has over 33 years experience in non-profit management, fundraising, and budgeting.

Beverly Kline - Finance and Operations Administrator - Graduated from the University of South Carolina with a B.S. in Business Administration. She has been with the Conservancy since 2013 working primarily in the areas of non-profit financial management and accounting.

M. Lee Bundrick, MS, MPA - Senior Ecological Health and Conservation Coordinator - Graduated from Clemson University with a B.S. in Horticulture ('15) and graduated from College of Charleston with an M.S. in Environmental and Sustainability Studies and a Master of Public Administration ('19). In addition to contributions to ongoing stewardship and monitoring activities, he has also coordinated the land trust accreditation renewal and ensuring sufficient funding for stewardship and legal defense of properties.

14. Partnership and Coordination - Max 10 points

Provide a list of the partners involved in this project and indicate if they are financial or non-financial partners:

Charleston County Greenbelt - Financial Partner
Kiawah Conservancy - Financial Partner, Property Manager
Town of Kiawah Island - Possible Financial Partner

Describe the roles of the partners and the coordination among those involved in the project:

The Kiawah Conservancy would contribute a certain amount of funds to the property acquisition and would collaborate with Charleston County Greenbelt to ensure the public uses intended for the project are implemented and the trail is maintained so that the property is safe for visitors.

The Town of Kiawah Island has expressed their interest in supporting the Conservancy's conservation efforts by potentially contributing funds toward any property acquisitions we pursue and that are within close proximity of the Town. Given the location of the Betsy Kerrison Nature Trail, the Conservancy will continue discussions with the Town before closing to see if they will contribute any funds toward the project.

Describe how the work of the partnership addresses greenspace conservation as well as community issues regarding health, resiliency, mobility, and economic development:

This partnership would be a first between the Kiawah Conservancy and the Charleston County Greenbelt Program and would be the start of a relationship to continue conservation efforts throughout Johns Island. Furthermore, this partnership would be a collaborative effort to protect the rural nature of this area, critical land to defend against sea level rise and storm-water pollution, flooding, and help maintain the urban growth boundary line.

15. Return on Investment (Choose ALL that apply) - Max 6 points

☒ Provides recreation and/or tourism income – 1 point

☐ Provides economic benefit (such as timbering, farmland) – 1 point

☒ Provides public health benefit – 1 point

☒ Provides public services such as resiliency, natural infrastructure and resistance to flooding – 1 point

☒ Provides ecological services (such as purification of air and water; decomposition of wastes; soil and vegetation generation and renewal; pollination of crops and natural vegetation; groundwater recharge through wetlands; seed dispersal; greenhouse gas mitigation; and aesthetically pleasing landscapes) – 1 point

☐ Other (such as property will remain on the tax rolls) – 1 point

Give specific details on how this project provides a return on the investment:

Public Health Benefit - Recreational area for people to walk within nature and learn about our natural habitats and ecology within. The project also helps support the Urban Growth Boundary Line which will detour further development and traffic in this area. Furthermore, maintaining vegetative buffers between impervious surfaces and tidal wetlands will mitigate water quality issues by filtering contaminants.

Public Services - The property supports community resilience by maintaining natural area to mitigate stormwater runoff and recharging the subsurface groundwater. The property additionally provides protection to local thoroughfares (i.e., Betsy Kerrison Parkway) from natural hazards, such as hurricanes and flooding. Additional monitoring and research efforts on the property can also provide information for local decision-makers to implement best management practices within the community.

Ecological Services - The existing and new vegetation will continue to mitigate air and water quality issues through the sequestration of carbon, filtering of particulate matter, interception of contaminants in stormwater runoff, and recharge of groundwater. The lands current condition would maintain the view shed and scenic roadway of Betsy Kerrison Parkway. Finally, this project would protect critical wildlife habitat for traveling, feeding and resting.

Recreation and Tourism Income - Given the subject properties close proximity to nearby resort and recreational sites, the Betsy Kerrison Nature Trail should further support eco-tourism in this area. Being on the southern end of Betsy Kerrison, this Nature Trail should also help bridge a connection between tourists of Johns Island, Seabrook and Kiawah Island.

16. Level of Public Support (Choose all that apply) - Max 6 points

Is there any public support that you would like to document?

☒ Yes

☐ No

☒ Support Letters/Emails from public (Must be attached to application) – 3 points

☐ Results of Public Hearing (Must be attached to application) – 2 points

☒ Other – 1 point

Give specific details on the public support for the project. Describe any 'Other' support here to receive the point:

Residents along Betsy Kerrison have shown their support in favor of the project verbally and in writing. Some residents adjacent to the project are further providing support by pledging to pursue efforts with the Conservancy to preserve their land with the Kiawah Conservancy. The Town of Kiawah Island and the Johns Island Task Force have also expressed their support for the project.

17. Deed Restrictions - No Score

For conservation easement projects, please provide the draft terms of the easement, including subdivision limits, waterway buffers, road buffers, impervious surface limits, number of residences allowed, etc.

N/A

For fee simple projects, please provide any deed restrictions being proposed on the property including impervious surface limits, waterway and roadway buffers, restricted uses, etc.

A copy of our deed restrictions used for the majority of our properties has been attached in the Attachments section.

18. Additional Information – No Score

Use this space to provide any other information regarding the project:

N/A

Agreement

You are requesting \$359,700.00 in greenbelt funds.

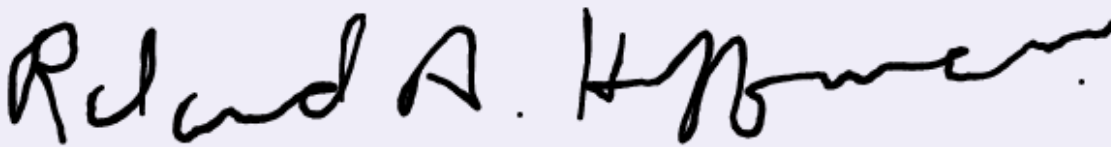
I, Roland Hoffman, the authorized agent, hereby certify to the best of my knowledge that this application is a true and accurate portrayal of the site proposed for acquisition as well as the proposed land uses and development under the Charleston County Greenbelt. I also understand that applications missing information or any of the attachments may be deemed incomplete and deferred until the next funding cycle.

☒ I agree to mail or deliver a physical copy of this application to:

Charleston County Greenbelt Programs
4045 Bridge View Drive
North Charleston, SC 29405

Use cursor or finger (if on touchscreen) to sign

Authorized Agent



Name

Roland Hoffman

Title

Chairman

Witness



Name

Colin Farah

Title

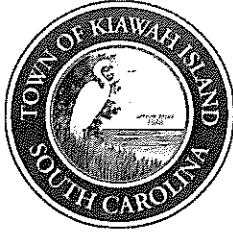
Land Preservation Specialist



Tab | 4

WAYS AND MEANS

Agenda Item



Memorandum

TO: Chair and Members of Ways and Means Committee

FROM: Dorota Szubert, Finance Director

SUBJECT: Budget Report for the First Six Months Ended 12/31/2023

DATE: 02/27/2023

Overview:

Presented here is the Town's Balance Sheet as of December 30, 2022, and Budget to Actual Report for the first six months. The Budget to Actual Report is compiled on the cash basis and all the funds are consolidated.

As of December 31, 2022, the Town's governmental funds combined have ending fund balance of approximately \$29.4M an increase of approximately \$1.1M from June 30, 2022. Of this amount approximately 54%, or \$16M is available for spending at the Town's discretion (unassigned fund balance).

Overall, for the first six months the Town's consolidated revenues of \$5.7M are higher, \$1.2M, or 27% than budgeted. Due to continuous economic uncertainties, the Town Council adopted the FY2023 budget with the conservative revenue projections based on pre pandemic levels from year FY2019. However, all revenues generated by tourist activity, high level of construction and interest revenue exceeded the budget and these positive variances are projected to carry throughout the year.

With 50% of the year lapsed at the end of December, expenditures to date are approximately \$4.7M, or 48% of total budgeted expenditures and approximately \$310K less than budgeted. Majority of expenses are reasonable and in line with the budget. The positive variances relate mostly to timing in billing by the vendors. The negative variances are expected to carry throughout the year and are attributable to the following items:

- Professional services are higher than budgeted due to the Town's attorney engagements outside the contract and legal assistance from other attorneys.
- Consultant cost shows a negative variance related mostly to Lou Hammond Group, communication, and media relation consultant; engagement approved by the Town Council after the budget adaption.
- Capital Outlay -Building line-item shows \$48K negative variance related to higher than budgeted improvements at the Kestrel Court recycling center.
- Capital Outlay-Vehicles is \$35k higher than budget as one of the 3 vehicles purchased this year was budgeted in last fiscal year, however, was not purchased until FY2023.

Town of Kiawah Island
Balance Sheet - Governmental Funds
Unaudited
Modified Cash Basis
December 31, 2022

	GENERAL FUND	SPECIAL FUNDS COMBINED	CAPITAL FUND	TOTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 16,101,927		\$ -	\$ 16,101,927
Cash and Cash Equivalents, Restricted	-	6,656,381	6,819,679	13,476,060
Accounts Receivable	80,028	-	-	80,028
Prepaid Item	-	-	-	-
TOTAL ASSETS	16,181,955	6,656,381	6,819,679	29,658,014
LIABILITIES				
Accounts Payable and Accrued Liabilities	111,992	14,993	-	126,985
Municipal Court Fines and Assessments Payable	-	-	-	-
Unearned Revenue	12,834	-	-	12,834
TOTAL LIABILITIES	124,826	14,993	-	139,819
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	101,118	-	-	101,118
TOTAL DEFERRED INFLOWS OF RESOURCES	101,118	-	-	101,118
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	225,944	14,993	-	240,937
FUND BALANCES				
Restricted:				
Tourism Related Expenditures & Capital Improvements	-	6,618,562	6,819,679	13,438,240
Victims' Assistance	-	22,826	-	22,826
Unrestricted	15,956,011	-	-	15,956,011
TOTAL FUND BALANCES	15,956,011	6,641,388	6,819,679	29,417,077
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 16,181,955	\$ 6,656,381	\$ 6,819,679	\$ 29,658,014

Town of Kiawah Island
Budget to Actuals
For the Six Months Ended 12/31/22
Modified Cash Basis /Unaudited

	Quarter				Fiscal 2023			
Revenue:	ACTUALS	BUDGET	\$ VARIANCE	% OF BUDGET	Y-T-D	Y-T-D BUDGET	VARIANCE	% OF BUDGET
Building Permits	\$ 434,763	\$ 300,000	\$ 134,763	145%	\$ 855,481	\$ 600,000	\$ 255,481	143%
Building Permits-Special Projects	-	-	-	-	45,900	-	45,900	0%
Business Licenses	53,450	50,000	3,450	107%	149,546	150,000	(454)	100%
STR Application Fees	15,285	15,000	285	102%	34,200	35,000	(800)	98%
Franchisee Fees	100,502	100,000	502	101%	300,502	300,000	502	100%
Local Option Tax	245,006	192,095	52,911	128%	456,913	384,191	72,722	119%
State ATAX	1,179,318	1,050,000	129,318	112%	1,179,318	1,050,000	129,318	112%
Local ATAX	444,937	262,500	182,437	169%	707,074	525,000	182,074	135%
County ATAX	-	-	-	-	-	-	-	-
Hospitality Tax	225,962	180,000	45,962	126%	414,354	300,000	114,354	138%
Environmental Services	53,530	50,000	3,530	107%	639,185	610,000	29,185	105%
Interest	261,636	8,500	253,136	3078%	390,109	17,500	372,609	2229%
Other	48,897	46,750	2,147	105%	114,795	93,500	21,295	123%
One Time -ARP Funding	440,343	440,343	-	100%	440,343	440,343	-	100%
Total Revenue	3,503,629	2,695,188	808,440	130%	5,727,720	4,505,534	1,222,186	127%
Expenses:								
Salaries/Regular Employees	448,861	475,462	(26,601)	94%	923,159	950,923	(27,764)	97%
Overtime	2,854	1,100	1,754	259%	3,069	2,200	869	140%
Benefits	157,612	158,708	(1,096)	99%	286,101	307,415	(21,314)	93%
Payroll Tax	46,930	48,720	(1,790)	96%	79,889	87,440	(7,551)	91%
Employee Subtotal	656,257	683,989	(27,732)	96%	1,292,218	1,347,978	(55,760)	96%
Public Safety/Payroll and Related/ Off Duty Deputies	115,281	109,908	5,373	105%	212,339	255,601	(43,262)	83%
Public Safety/CCSO Contract	-	89,156	(89,156)	0%	-	220,904	(220,904)	0%
STR Code Enforcement	72,145	72,145	-	100%	120,242	120,242	-	100%
Beach Patrol	146,000	146,000	-	100%	243,333	243,333	-	100%
Utilities & Supplies	47,590	62,725	(15,135)	76%	102,119	124,000	(21,881)	82%
Communications	17,052	17,080	(28)	100%	39,636	38,180	1,456	104%
Waste Management	341,617	338,250	3,367	101%	524,131	531,500	(7,369)	99%
Insurance	5,984	6,000	(16)	100%	172,664	172,769	(105)	100%
Professional Services	61,137	35,250	25,887	173%	119,896	73,450	46,446	163%
Consultants	129,776	112,750	17,026	115%	183,607	172,832	10,775	106%
Maintenance	129,843	117,950	11,893	110%	286,287	284,175	2,112	101%
Travel	12,443	13,500	(1,057)	92%	28,987	56,135	(27,148)	52%
Rentals	9,914	11,250	(1,336)	88%	19,280	22,500	(3,220)	86%
Tourism & Recreations	520,753	600,000	(79,247)	87%	663,776	700,000	(36,224)	95%
Contributions	-	-	-	-	-	-	-	-
Other	55,609	82,646	(27,037)	67%	114,964	152,460	(37,496)	75%
Capital Outlay:								
Building	87,165	150,000	(62,835)	58%	197,465	150,000	47,465	132%
Infrastructure	-	-	-	-	-	-	-	-
Vehicles	100,543	60,000	40,543	168%	154,837	120,000	34,837	129%
Other	-	-	-	-	-	-	-	-
MUSC Pledge	200,000	200,000	-	100%	200,000	200,000	-	100%
Total Expenses	2,709,109	2,908,599	(199,490)	93%	4,675,781	4,986,059	(310,278)	94%
Net Changes in Fund Balance	\$ 794,520	\$ (213,410)	\$ 1,007,930		\$ 1,051,939	\$ (480,526)	\$ 1,532,465	



Tab | 5

WAYS AND MEANS

Agenda Item

NARRATIVE HIGHLIGHTS

REVENUES

Since the beginning of the Covid-19 pandemic, the Town has continuously analyzed its impacts on revenues. The Town temporarily experienced a sharp drop in revenues at the end of fiscal year FY2020, however revenues returned to normal in early fiscal year FY2021 and continued to rise to the point of record high revenue collection in fiscal year FY2022. The Town remains well positioned to enter next fiscal year to provide highest level of services for the residents and customers while simultaneously continuing to build reserve balances for any future events that may require emergency funds.

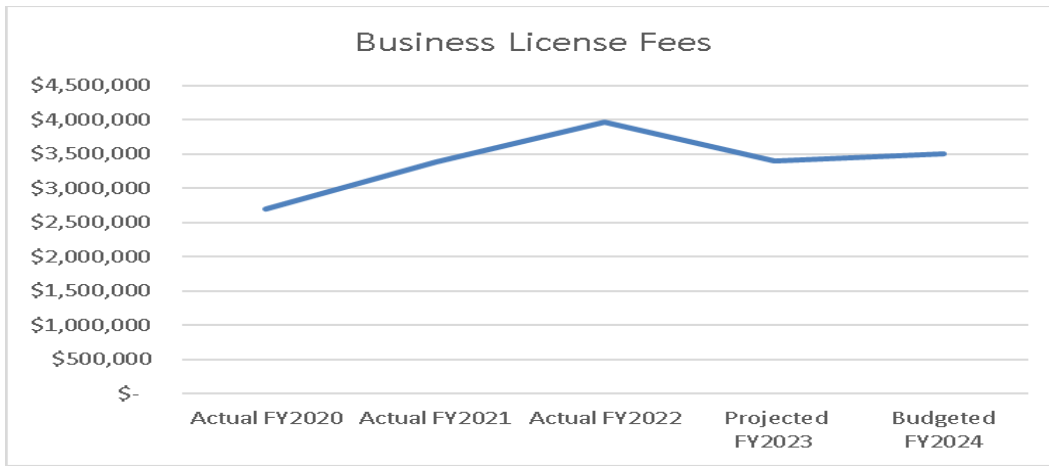
Overall, the total FY 2024 budgeted revenues of \$14.5M are 4%, or \$607K lower than current year projections. The comparisons below are made to FY2023 projected revenues.

- ✓ Building Permits revenue is estimated to decrease 20%, or \$300k, primarily due to an estimated slowdown in new construction activity on the Island. The five-year average for the new construction permits is approximately \$10,000 and for renovation projects is \$750. Based on the same averages we are anticipating about 80 permits for new homes and 480 renovation projects. We are also expecting one-time permit revenue from the Beachwalker Commons, Beachwalker Lot 1, and Night Heron Phase 2.
- ✓ Business Licenses revenue is budgeted to increase 3%, or \$100K. The increase is primarily attributable to the higher cost of goods and services. The licenses fee is based on type of business and its gross receipts. The following chart presents a makeup of business types on the Island for last 3 years.

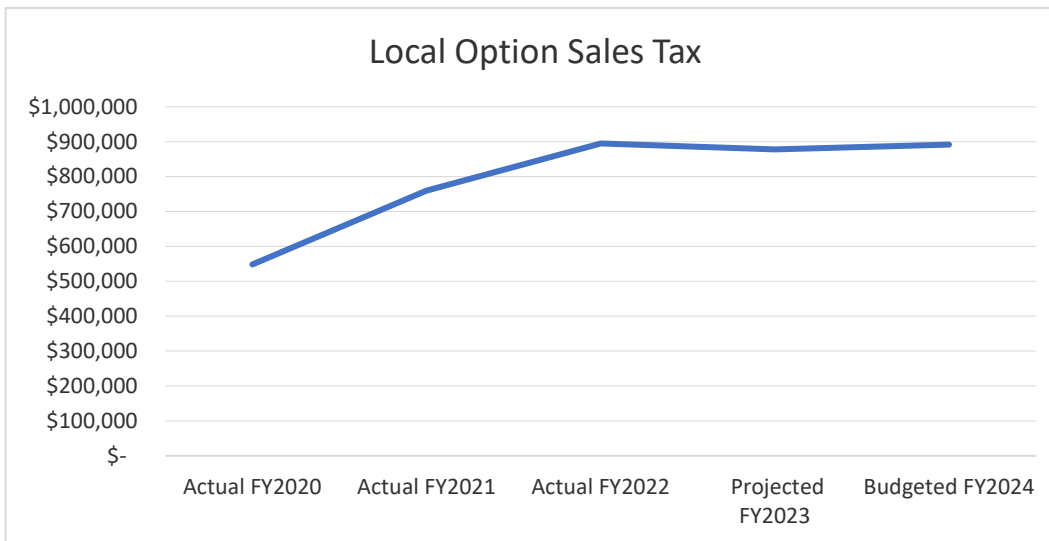
	FY20				FY21				FY22		
	# of SBL	Fees	% Of Fees		# of SBL	Fees	% Of Fees		# of SBL	Fees	% Of Fees
Class 1	156	374,967	24%		162	\$ 341,718	17%		153	\$ 323,214	13%
Class 2	34	64,563	4%		37	\$ 93,882	5%		54	\$ 109,652	4%
Class 3	25	20,472	1%		27	\$ 30,378	2%		23	\$ 121,333	5%
Class 4	356	148,842	9%		362	\$ 253,477	13%		352	\$ 251,639	10%
Class 5	3	1,546	0.1%		3	\$ 2,255	0.1%		4	\$ 3,110	0.1%
Class 6	11	11,149	1%		14	\$ 12,373	1%		11	\$ 12,837	1%
Class 7	301	398,624	25%		324	\$ 452,036	22%		331	\$ 499,081	19%
Class 8	897	547,162	35%		956	\$ 827,843	41%		915	\$ 1,243,373	48%
	1,783	1,567,325	100%		1,885	\$ 2,013,963	100%		1843	\$ 2,564,238	100%
STR Licenses	1381	\$ 405,389			1412	\$ 480,232			1405	\$ 436,310	

Class 1-Retail, food services and restaurants
Class 2-Transportation
Class 3-Arts, entertainment, and recreation
Class 4-Health care, educational, information and cleaning and waste management
Class 5- Other services
Class 6-Consumer finance and printing
Class 7- Real estate and management companies administrative and professional services
Class 8- Construction businesses

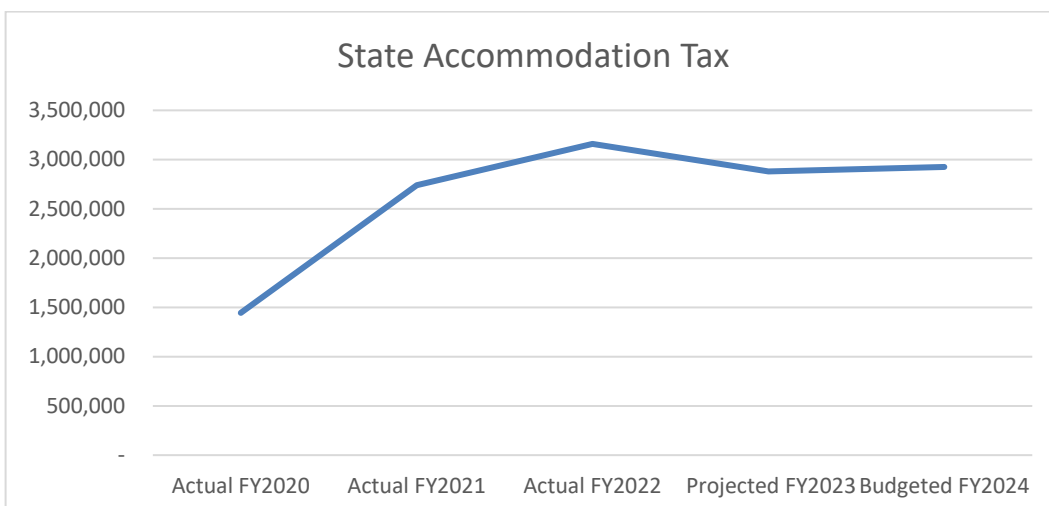
Based on the historical averages we are budgeting to issue 1,800 standard business licenses with the average cost of \$1,100 per license and about 1,400 short term rental licenses with the average cost of \$350 per license, collect approximately \$400,000 in short term rental application fees, and \$500,000 from Municipal Association of SC Collection Program for insurance companies.



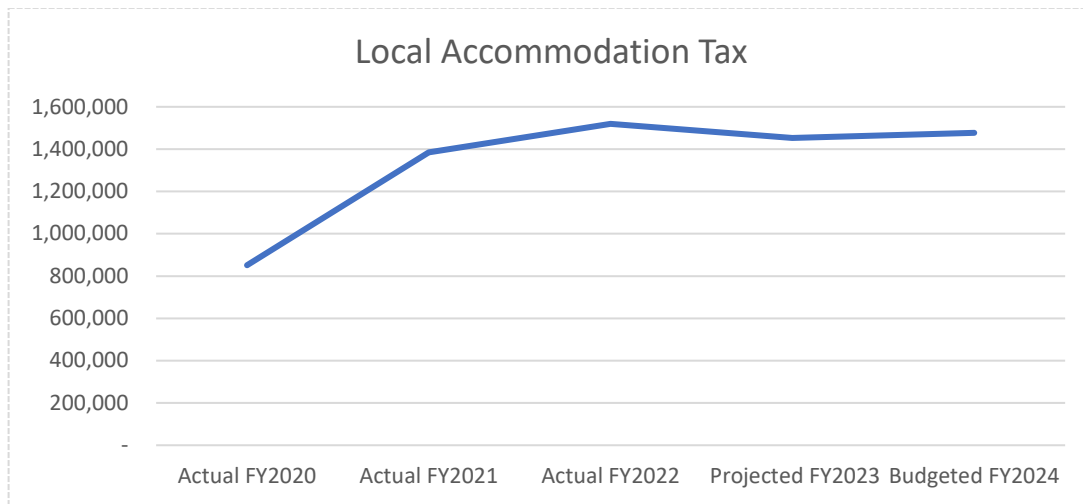
- ✓ Franchise Fees with Berkley Electric Company, Beach Services, and Other Franchise fees are anticipated with no change.
- ✓ Local Option Sales Tax is budgeted 2%, or \$14K higher than current year projections based on the recent years' averages and the inflation on goods sold.



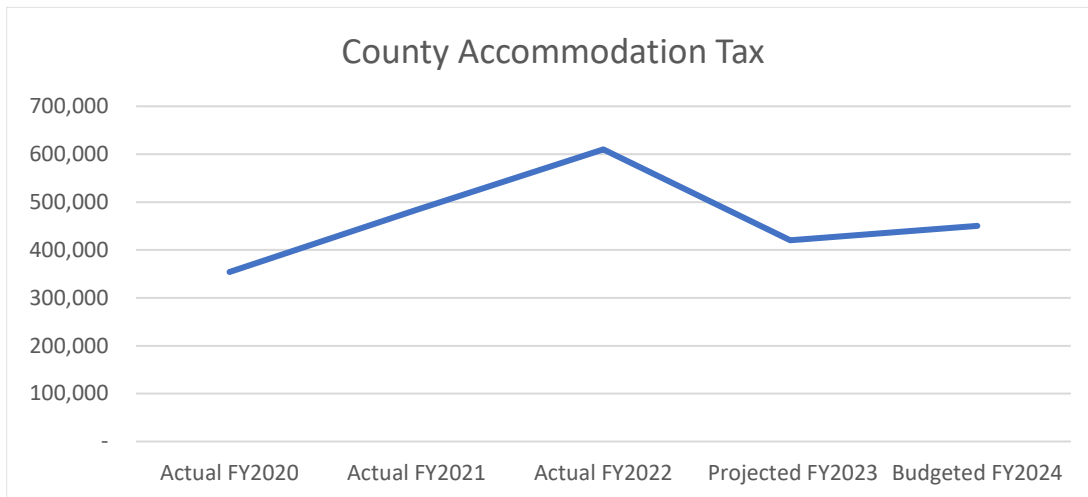
- ✓ State Accommodation Tax revenue is anticipated to increase 2%, or \$58K. We predict volume of tourists on the Island comparable to the current year, however the higher accommodation prices should increase tourism-generated revenues.



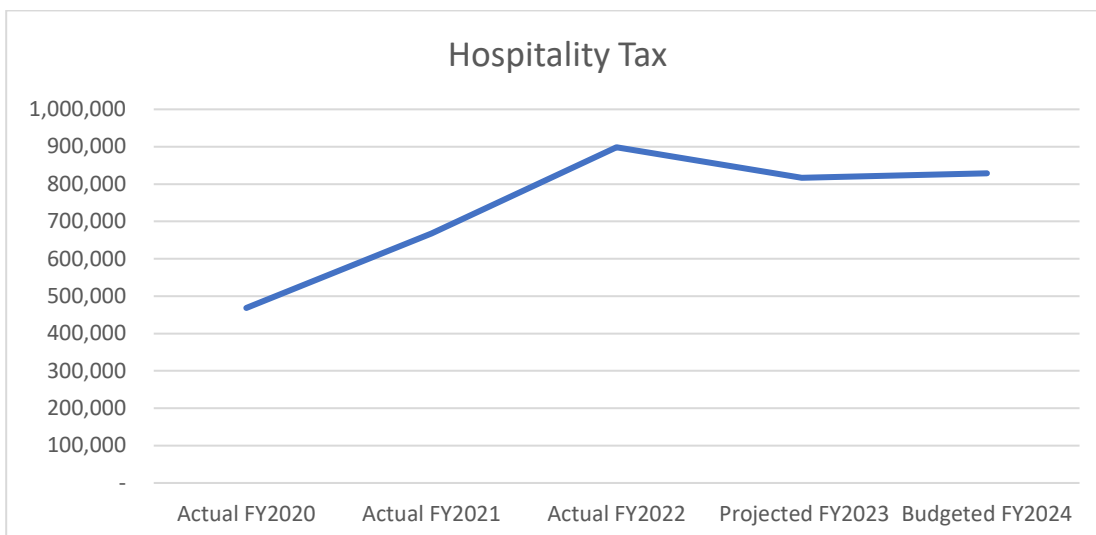
- ✓ Local Accommodation Tax revenue is budgeted with a 2%, or a \$25k increase.



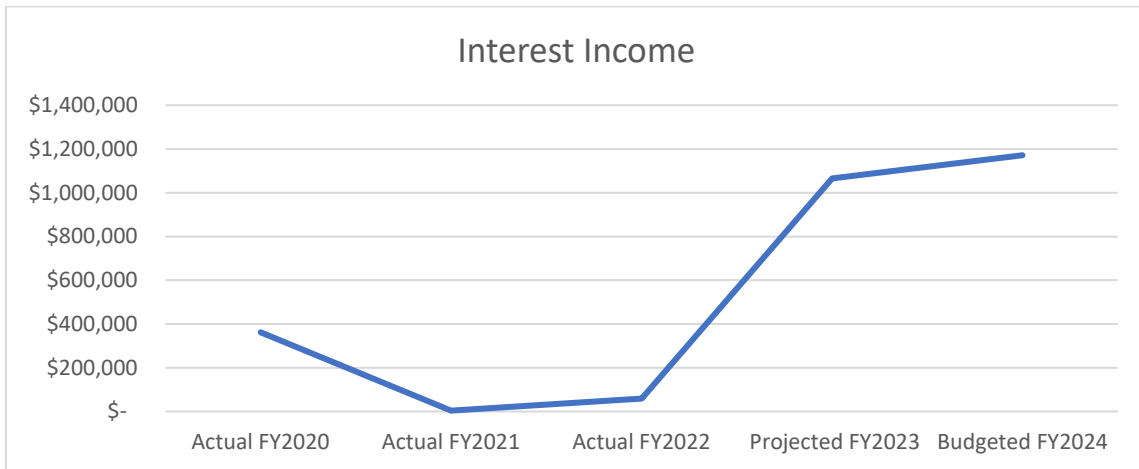
- ✓ County Accommodation Tax revenue is budgeted to increase 7%, or \$30K.



- ✓ Hospitality Tax revenue is budgeted to increase 2%, or \$13K.



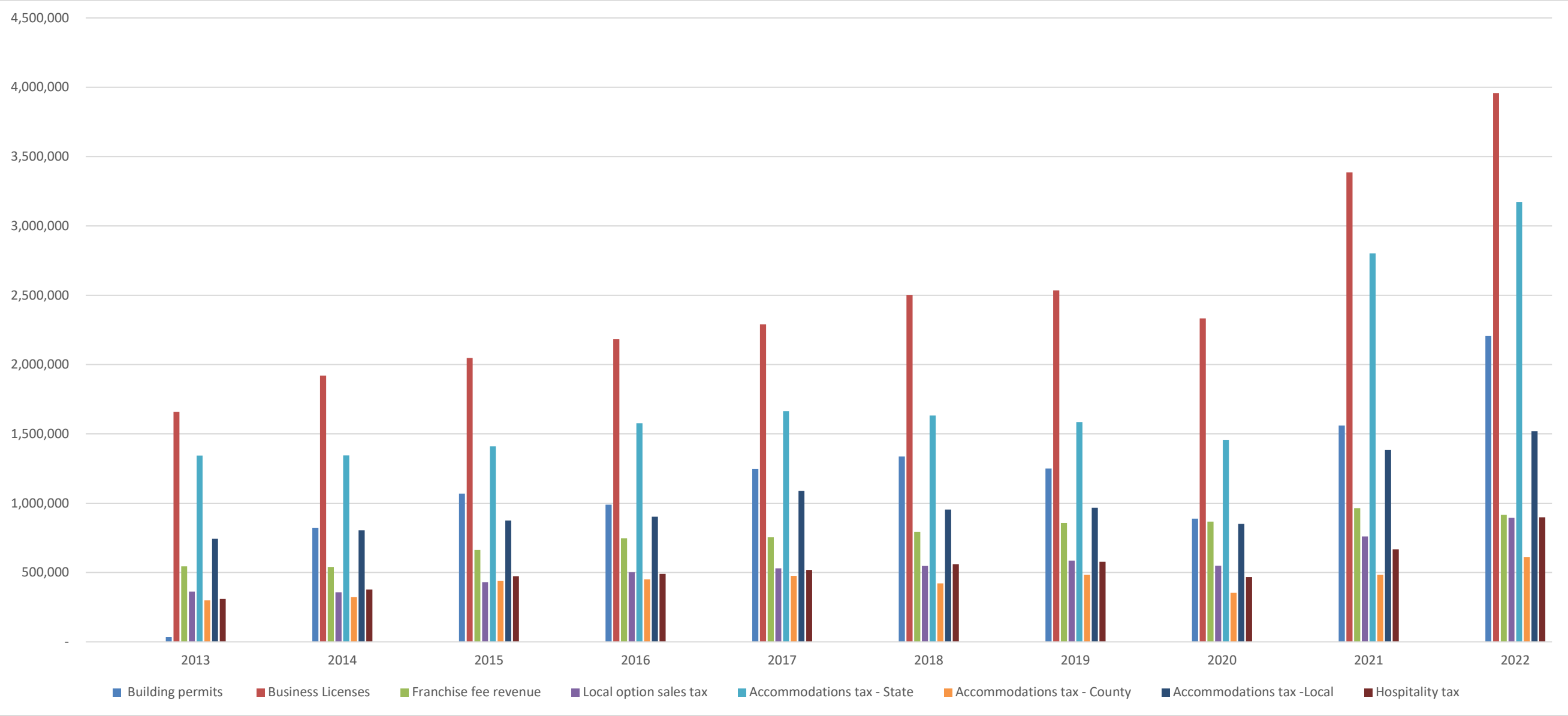
- ✓ Solid Waste revenue is budgeted with no change.
- ✓ Interest Revenue is budgeted to increase 10%, or \$106K, based on the assumption of 4% rate of return on the Town's investments.



- ✓ Other revenues include the following sources:
 1. Aid to Subdivision – \$50k, an increase of 5%, or \$2k.
 2. Planning Fees - \$10K, no change.
 3. Court Fees & Fines - \$30K, no change.
 4. Beverage Permits revenue - \$45K, no change.
 5. Victim's Assistance Fees - \$10K, no change.
 6. Miscellaneous revenue - \$35K, 30%, or \$15K decrease due to onetime restitution payment in the current year.

Town of Kiawah Island
Major Revenues, Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Building permits	35,974	823,214	1,069,063	990,258	1,246,429	1,337,513	1,250,846	889,009	1,559,967	2,206,404
% Change	-6%	2188%	30%	-7%	26%	7%	-6%	-29%	75%	41%
Business Licenses	1,657,812	1,920,755	2,048,093	2,183,207	2,290,018	2,502,770	2,535,128	2,332,935	3,386,599	3,958,450
% Change	3%	16%	7%	7%	5%	9%	1%	-8%	45%	17%
Franchise fee revenue	544,695	540,321	662,823	747,873	755,815	793,197	857,732	867,100	964,496	916,492
% Change	22%	-1%	23%	13%	1%	5%	8%	1%	11%	-5%
Local option sales tax	362,654	357,575	430,527	501,770	530,338	548,248	585,738	548,356	760,172	894,993
% Change	0%	-1%	20%	17%	6%	3%	7%	-6%	39%	18%
Accommodations tax - state	1,343,031	1,344,377	1,410,368	1,576,964	1,664,086	1,632,897	1,585,789	1,457,958	2,802,651	3,173,262
% Change	17%	0%	5%	12%	6%	-2%	-3%	-8%	92%	13%
Accommodations tax - county	299,411	323,596	439,500	450,622	477,000	422,000	484,000	354,000	484,000	609,937
% Change	12%	8%	36%	3%	6%	-12%	15%	-27%	37%	26%
Accommodations tax - local	744,940	803,808	875,004	902,124	1,088,825	953,458	967,051	851,050	1,384,691	1,519,444
% Change	12%	8%	9%	3%	21%	-12%	1%	-12%	63%	10%
Hospitality tax	308,818	377,866	473,867	490,388	518,632	560,182	576,884	468,407	667,602	898,462
% Change	14%	22%	25%	3%	6%	8%	3%	-19%	43%	35%



Town of Kiawah Island
Budget Draft FY2024
All Funds Consolidated
Cash Basis

Revenues*:	Actuals FY 2022	% of Total	Budgeted FY2023	% of Total	Projected FY2023	% of Total	Budget FY2024	% of Total	FY2023 Budget Variance \$	FY2023 Budget Variance %	FY2023 Annualized Variance \$	FY2023 Annualized Variance %
Building Permits	\$ 1,900,907	12%	\$ 1,200,000	10%	\$ 1,500,000	10%	\$ 1,200,000	8%	\$ -	0%	\$ (300,000)	-20%
Building Permits/Special Projects	305,197	2%	500,000	4%	500,000	3%	300,000	2%	(200,000)	-40%	(200,000)	-40%
Business Licenses	3,958,450	26%	3,200,000	26%	3,400,000	22%	3,500,000	24%	300,000	9%	100,000	3%
Franchisee Fees	916,492	6%	970,000	8%	970,000	6%	970,000	7%	-	0%	-	0%
Local Option tax	894,993	6%	768,382	6%	877,665	6%	891,347	6%	122,965	16%	13,681	2%
State ATAX	3,173,262	21%	2,100,000	17%	2,878,681	19%	2,936,510	20%	836,510	40%	57,829	2%
Local ATAX	1,519,444	10%	1,050,000	9%	1,452,340	10%	1,477,158	10%	427,158	41%	24,818	2%
County ATAX	609,937	4%	420,000	3%	420,000	3%	450,000	3%	30,000	7%	30,000	7%
Hospitality Tax	898,462	6%	600,000	5%	816,465	5%	829,177	6%	229,177	38%	12,711	2%
Solid Waste Fees	631,445	4%	610,000	5%	640,000	4%	640,000	4%	30,000	5%	-	0%
Interest	59,829	0%	35,000	0%	1,065,067	7%	1,171,343	8%	1,136,343	3247%	106,276	10%
Other	143,123	1%	187,000	2%	192,177	1%	179,536	1%	(7,464)	-4%	(12,641)	-7%
One Time -ARP Funding	440,343	3%	440,343	4%	440,343	3%	-	0%	(440,343)	-100%	(440,343)	-100%
Total Revenues	\$ 15,451,884	100%	\$ 12,080,725	100%	\$ 15,152,738	100%	\$ 14,545,069	100%	\$ 2,464,345	20%	\$ (607,669)	-4%

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
GENERAL FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
GENERAL FUND										
REVENUES:										
BUSINESS LICENSE REVENUE	\$ 3,527,142	\$ 2,800,000	\$ 221,717	\$ 3,000,000	3,100,000	\$ 300,000	11%	\$ 100,000	3%	Based on FY2020-FY22 averages
STR APPLICATION FEES	431,308	400,000	13,861	400,000	400,000	-	0%	-	0%	Based on 2022 number of issued licenses
STATE ACCOMMODATIONS TAX	195,522	85,000	107,347	172,683	177,741	92,741	109%	5,058	3%	First \$25K plus 5% of SATAX
AID TO SUBDIVISION	45,603	47,000	23,587	47,177	49,536	2,536	5%	2,359	5%	Based on estimates from the State
SOLID WASTE REVENUE	631,445	610,000	639,185	640,000	640,000	30,000	5%	-	0%	Based on number of subscribers for different service types
PLANNING FEES	16,078	10,000	6,180	10,000	10,000	-	0%	-	0%	Based on current year actuals
BUILDING PERMITS	1,885,129	1,200,000	1,014,602	1,500,000	1,200,000	-	0%	(300,000)	-20%	Based on FY20-22 averages
BUILDING PERMITS/SPECIAL PROJECTS	305,197	500,000	45,900	500,000	300,000	(200,000)	-40%	(200,000)	-40%	Permitting for Beachwalker Commons, Bechwalker Lot 1, and Nighr Heron phase 2
LOCAL OPTIONS SALES TAX	894,993	768,382	526,362	877,665	891,347	122,965	16%	13,681	2%	Based on FY21-23 averages
FRANCHISE FEE - ELECTRIC	432,102	430,000	-	430,000	430,000	-	0%	-	0%	Based on current year actuals
FRANCHISE FEE - BEACH SERVICE	336,575	400,000	264,770	400,000	400,000	-	0%	-	0%	\$300k or 30% of Island Beach Services gross receipts
FRANCHISE FEES - OTHER	147,815	140,000	78,745	140,000	140,000	-	0%	-	0%	Based on the contracts with AT&T, Comcast, KIGR
COURT FEES, FINES & FORF	25,784	30,000	22,072	30,000	30,000	-	0%	-	0%	Based on CY actuals
INTEREST REVENUE	24,189	10,000	181,292	407,326	501,339	491,339	4913%	94,013	23%	Rate of return -4%
MISCELLANEOUS REVENUE	25,462	35,000	45,721	50,000	35,000	-	0%	(15,000)	-30%	Based on CY actuals
ONE TIME -APR FUNDING	440,343	440,343	440,343	440,343	-	(440,343)	-100%	(440,343)	-100%	ARP Payment in CY
TOTAL REVENUES	<u>\$ 9,364,687</u>	<u>\$ 7,905,725</u>	<u>\$ 3,631,684</u>	<u>\$ 9,045,195</u>	<u>\$ 8,304,963</u>	<u>\$ 399,238</u>	<u>5%</u>	<u>\$ (740,232)</u>	<u>-8%</u>	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
STATE ACCOMMODATION TAX FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
STATE ACCOMMODATIONS TAX REVENUE	\$ 2,977,740	\$ 2,015,000	\$ 1,564,595	\$ 2,705,997	\$ 2,758,768	\$ 743,768	37%	\$ 52,771	2%	Based on Fy21-23 averages
INTEREST REVENUE	2,970	2,000	25,203	66,647	40,000	38,000	1900%	(26,647)	-40%	Rate of return -4%
	\$ 2,980,710	\$ 2,017,000	\$ 1,564,595	\$ 2,772,645	\$ 2,798,768	\$ 781,768	37%	\$ 52,771	2%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
COUNTY ACCOMMODATION TAX FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
REVENUES:										
COUNTY ACCOMMODATION TAX	\$ 609,937	\$ 420,000	\$ -	\$ 420,000	\$ 450,000	\$ 30,000	7%	\$ 30,000	7%	Based on Fy21-23 averages
INTEREST REVENUE	<u>5,941</u>	<u>2,000</u>	<u>50,407</u>	<u>80,043</u>	<u>65,458</u>	<u>63,458</u>	<u>3173%</u>	<u>(14,586)</u>	<u>-18%</u>	Rate of return -4%
TOTAL CATAX REVENUES	\$ 615,878	\$ 422,000	\$ 50,407	\$ 500,043	\$ 515,458	\$ 93,458	22%	\$ 15,414	3%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
LOCAL ACCOMMODATION TAX FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
REVENUES:										
LOCAL ACCOMMODATION TAX	\$ 1,519,444	\$ 1,050,000	\$ 828,639	\$ 1,452,340	\$ 1,477,158	\$ 427,158	41%	\$ 24,818	2%	Based on Fy21-23 averages
INTEREST REVENUE	<u>11,880</u>	<u>6,000</u>	<u>74,971</u>	<u>155,077</u>	<u>173,136</u>	<u>167,136</u>	<u>836%</u>	<u>18,059</u>	<u>12%</u>	Rate of return -0.05%
TOTAL LATAX REVENUES	\$ 1,531,324	\$ 1,056,000	\$ 903,610	\$ 1,607,417	\$ 1,650,294	\$ 594,294	68%	\$ 42,877	3%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/23
HOSPITALITY TAX FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
REVENUES:										
HOSPITALITY TAX	\$ 898,462	\$ 600,000	\$ 463,574	\$ 816,465	\$ 829,177	\$ 229,177	38%	\$ 12,711	2%	Based on Fy21-23 averages Rate of return -4%
INTEREST REVENUE	8,910	5,000	50,407	99,485	107,075	102,075	2042%	7,591	8%	
TOTAL HOSPITALITY TAX REVENUES	\$ 907,372	\$ 605,000	\$ 513,981	\$ 915,950	\$ 936,252	\$ 331,252	68%	\$ 20,302	2%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
BEVERAGE PERMITS FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
REVENUES:										
BEVERAGE TAX REVENUE	\$ 27,900	\$ 45,000	\$ 18,300	\$ 45,000	\$ 45,000	\$ -	0%	\$ -	0%	\$3k per alcoholic beverage permit (15 entities)
	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ 45,000	\$ -	0%	-	0%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/24
VICTIMS ASSISTANCE FUND

	Actuals FY 2022	2022-2023 Budget	Actuals thru 1/31/2023	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
SOURCES :										
VICTIMS ASSISTANCE FEES	\$ 7,951	\$ 10,000	\$ 8,468	\$ 10,000	\$ 10,000	\$ -	0%	\$ -	0%	
TOTAL SOURCES	\$ 7,951	\$ 10,000	\$ 8,468	\$ 10,000	\$ 10,000	\$ -	0%	\$ -	0%	

TOWN OF KIAWAH ISLAND
BUDGET DRAFT FOR YEAR ENDED 6/30/23
CAPITAL & EMERGENCY FUND

	Actuals FY 2022	2022-2023 Budget	Projected 2022-2023	2023-2024 Proposed Budget	FY 23 Budget \$ Change	FY 23 Budget % Change	FY 23 Annualized \$ Change	FY 23 Annualized % Change	Justifications/Notes
REVENUES & SOURCES :									
TRANSFER FROM GENERAL FUND	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	-	
TRANSFER FROM LOCAL ACCOMMODATION FUND	537,224	394,557	580,936	590,863	196,306	50%	9,927	2%	40% of LATAX Revenue
TRANSFER FROM BEVERAGE FUND	37,573	45,000	45,000	45,000	-	0%	-	0%	
TRANSFER FROM HOSPITALITY TAX FUND	359,204	230,754	326,586	331,671	100,917	44%	5,085	2%	40% of HTAX Revenue
INTEREST	5,940	5,000	256,488	284,335	279,335	5587%	27,846	11%	Rate of return -4%
TOTAL REVENUES & SOURCES	\$ 939,941	\$ 675,311	\$ 1,209,010	\$ 1,251,869	\$ 576,558	21%	\$ 15,012	1%	

Town of Kiawah Island
Ten Year Projections

Revenues:	<u>ACTUAL FY2022</u>	<u>Budgeted FY2023</u>	<u>Annualized FY2023</u>	<u>Budget FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>	<u>FY2032</u>	<u>FY2033</u>	<u>FY2034</u>
Building Permits	1,900,907	\$ 1,200,000	\$ 1,500,000	\$ 1,200,000	\$ 1,200,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 890,000	\$ 890,000	\$ 750,000	\$ 750,000	\$ 650,000
Building Permits/Special Projects	305,197	500,000	500,000	300,000	300,000	-	-	-	-	-	-	-	-	-
Business Licenses	3,527,142	2,800,000	3,000,000	3,100,000	3,205,000	3,313,150	3,424,545	3,539,281	3,657,459	3,779,183	3,904,559	4,033,695	4,166,706	4,303,707
STR Application Fees	431,308	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Franchisee Fees	916,492	970,000	970,000	970,000	970,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Local Option Tax	894,993	768,382	877,665	891,347	918,087	945,630	973,998	1,003,218	1,033,315	1,064,314	1,096,244	1,129,131	1,163,005	1,197,895
State ATAX	3,173,262	2,100,000	2,878,681	2,936,510	3,024,605	3,115,343	3,255,343	3,353,004	3,453,594	3,453,594	3,557,201	3,663,918	3,773,835	3,887,050
Local ATAX	1,519,444	1,050,000	1,452,340	1,477,158	1,521,473	1,567,117	1,637,117	1,686,230	1,736,817	1,788,922	1,842,589	1,897,867	1,954,803	2,013,447
County ATAX	609,937	420,000	420,000	450,000	450,000	450,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Hospitality Tax	898,462	600,000	816,465	829,177	854,052	879,673	906,064	933,246	961,243	990,080	1,019,783	1,050,376	1,081,887	1,114,344
Solid Waste Fee	631,445	610,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000
Interest	59,829	35,000	1,065,067	1,171,343	815,801	610,534	660,534	525,471	366,980	316,980	316,980	475,471	475,471	475,471
Other	143,123	187,000	192,177	179,536	140,000	140,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
One Time -ARP Funding	440,343	440,343	440,343	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	15,451,884	12,080,725	15,152,738	14,545,069	14,439,018	14,061,447	14,542,601	14,725,450	14,894,409	14,968,073	15,312,356	15,685,457	16,050,707	16,326,914
% Annual Change		-22%	25%	-4%	-1%	-3%	3%	1%	1%	0%	2%	2%	2%	2%