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City of Hartsville, South Carolina

Cost Proposal to Provide Audit Services
RFQ No. 20240327HAS

Fiscal Year June 30, 2024, through 2028

Mauldin & Jenkins Certified Public Accountants

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April 15, 2024

City of Hartsville, South Carolina
Attn: Karen Caulder
P.O. Drawer 2497
Hartsville, South Carolina 29551

Ladies and Gentlemen:

Mauldin & Jenkins is pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City of Hartsville, South Carolina (the "City"). It is our understanding that the City is requesting proposals from qualified firms of certified public accountants to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract for such audit services will be for the fiscal year ended June 30, 2024, with an option for each of the four subsequent fiscal years, subject to annual review and the annual availability of an appropriation for audit services by the City.

As requested by the City, we have enclosed on the following pages an all-inclusive maximum fee for the financial and compliance audit services for the fiscal years noted above. This sealed cost proposal contains all pricing information relative to the performance of the audit. The total all-inclusive maximum price for the fiscal years ending June 30, 2024, through 2028 is as follows:

- 2024 - \$36,500
- 2025 - \$38,500
- 2026 - \$40,500
- 2027 - \$42,500
- 2028 - \$44,500

As a partner at Mauldin & Jenkins, LLC, I am certified and authorized to represent Mauldin & Jenkins, empowered to submit the bid, and authorized to sign a contract with the City. Our total all-inclusive maximum price for providing annual financial auditing services to the City is contained on the following pages. We appreciate the opportunity to propose, and we look forward to hearing from you.

Sincerely,

MAULDIN & JENKINS, LLC

Grant Davis, CPA
Partner



SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE YEAR ENDED JUNE 30, 2024

	Hours	Hourly Rate	Total
Partners	25	\$400	\$ 10,000
Director/Managers	40	275	11,000
Staff Professionals	135	190	25,650
Total for Financial and Compliance Audit	<u>200</u>		<u>46,650</u>
Out-of-pocket expenses:			
Transportation			500
Mauldin & Jenkins discount from standard fees and expenses			<u>(10,650)</u>
Total all-inclusive not to exceed price for 2024 audit engagement			<u>\$ 36,500</u>

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE YEAR ENDED JUNE 30, 2025

	Hours	Hourly Rate	Total
Partners	25	\$405	\$ 10,125
Director/Managers	40	280	11,200
Staff Professionals	135	195	26,325
Total for Financial and Compliance Audit	<u>200</u>		<u>47,650</u>
Out-of-pocket expenses:			
Transportation			500
Mauldin & Jenkins discount from standard fees and expenses			<u>(9,650)</u>
Total all-inclusive estimated price for 2025 audit engagement			<u>\$ 38,500</u>



SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE YEAR ENDED JUNE 30, 2026

	Hours	Hourly Rate	Total
Partners	25	\$410	\$ 10,250
Director/Managers	40	285	11,400
Staff Professionals	135	200	27,000
Total for Financial and Compliance Audit	<u>200</u>		<u>48,650</u>
Out-of-pocket expenses:			
Transportation			500
Mauldin & Jenkins discount from standard fees and expenses			<u>(8,650)</u>
Total all-inclusive estimated price for 2026 audit engagement			<u>\$ 40,500</u>

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE YEAR ENDED JUNE 30, 2027

	Hours	Hourly Rate	Total
Partners	25	\$415	\$ 10,375
Director/Managers	40	290	11,600
Staff Professionals	135	205	27,675
Total for Financial and Compliance Audit	<u>200</u>		<u>49,650</u>
Out-of-pocket expenses:			
Transportation			500
Mauldin & Jenkins discount from standard fees and expenses			<u>(7,650)</u>
Total all-inclusive not to exceed price for 2027 audit engagement			<u>\$ 42,500</u>



SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE YEAR ENDED JUNE 30, 2028

	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Partners	25	\$420	\$ 10,500
Director/Managers	40	300	12,000
Staff Professionals	<u>135</u>	<u>210</u>	<u>28,350</u>
Total for Financial and Compliance Audit	<u>200</u>		<u>50,850</u>
Out-of-pocket expenses:			
Transportation			500
Mauldin & Jenkins discount from standard fees and expenses			<u>(6,850)</u>
Total all-inclusive not to exceed price for 2028 audit engagement			<u>\$ 44,500</u>



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). We also hereby agree to the City's stipulation that our annual proposed audit fee include a provision for up to 30 hours of consultation on audit and/or financial reporting matters annually.

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

Note (3) – Additional Services: If it should become necessary for the City to request Mauldin & Jenkins to provide any additional services (such as bond issuances, etc.), then such additional work shall be performed only if set forth in an addendum to the contract between the County and Mauldin & Jenkins. Please see below for our fixed fee quote to provide consent in conjunction with a public offering document.

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

Note (5) – Single Audit: The City's Request for Proposal (RFP) noted the possibility of a Single Audit being required from time to time. Therefore, and due to the uniqueness and variety of Federal grant programs, should a Single Audit ever be determined to be required, we address that with City management and come to a new fee estimate to encompass the audit of such a major federal program.

Note (6) – Hourly Rates for Agreed-Upon Procedures: In the event the City requires additional work outside the scope of the annual financial statement audit in the form of agreed-upon procedures or otherwise and unless addressed specifically above, we propose the following hourly rates by the level of personnel assigned – Partner \$400/hour; Director \$365/hour; Manager \$325/hour; Senior \$255/hour; Associate \$200/hour.



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