

RESOLUTION

#26-34

A RESOLUTION BY THE MAYOR AND COUNCIL OF THE CITY OF DUBLIN AUTHORIZING EXECUTION OF AN ENGAGEMENT LETTER WITH NICHOLS, CAULEY & ASSOCIATES, LLC FOR PROFESSIONAL AUDITING SERVICES FOR THE FY 26 AUDIT; TO SET AN EFFECTIVE DATE; AND FOR OTHER LAWFUL PURPOSES.

WHEREAS, the Charter of the City of Dublin requires the Mayor and Council to provide annually for an independent audit of the accounts and financial transactions of the government of the City and all offices, departments, boards, authorities, and commissions; and

WHEREAS, Nichols, Cauley & Associates, LLC has provided exceptional service to the city in the preparation of the City's external audit for many years; and

WHEREAS, the City of Dublin wishes to enter into an agreement with Nichols, Cauley & Associates, LLC, concerning professional auditing services for fiscal years ending June 30, 2026,

WHEREAS, the city has received an Engagement Letter from Nichols, Cauley & Associates, LLC concerning professional auditing services for the fiscal year ending on June 30, 2026, attached hereto as Exhibit A, and incorporated herein by reference, and

WHEREAS, the Mayor and Council find it in the best interest of the City to engage the services of Nichols, Cauley & Associates, LLC for the Fiscal Year ending June 30, 2026 independent audit.

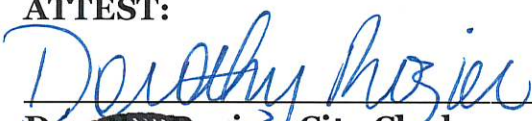
NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DUBLIN that the City hereby engages the services of Nichols, Cauley & Associates, LLC for the Fiscal Year ending June 30, 2026, independent audit and the Mayor, City Manager and City Treasurer are hereby authorized to execute and deliver any and all documents to secure said services. The City Treasurer may, with the approval of the City Manager, request such additional services as may be deemed prudent by him to secure the integrity and ensure the proper operation of the City's financial accounting.

SO RESOLVED this 4th day of June 2026.

CITY OF DUBLIN, GEORGIA

BY: 
Joshua E. Kight, Mayor

ATTEST:


Dorothy Prozier, City Clerk



RESOLUTION

#26-34



Nichols, Cauley & Associates, LLC
nicholscauley.com
800-823-0117

May 25, 2026

City of Dublin, Georgia
Post Office Box 690
Dublin, Georgia 31021

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Dublin, Georgia (the "City"), as of June 30, 2026, and for the year then ended and the related notes, which collectively comprise the City's basic financial statements as listed in the table of contents. In addition, we will audit the City's compliance over major federal award programs for the period ended June 30, 2026. Nichols, Cauley & Associates, LLC ("Nichols Cauley", "we", "our", and "us") is pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

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

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

Accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) require that Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of City Pension Contributions and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP.

"Nichols Cauley" is the brand name under which Nichols, Cauley & Associates, LLC; Nichols Cauley Advisory Group, LLC; Nichols Cauley Transactions Group, LLC; and Partners Risk Services, LLC; and any affiliates and subsidiaries—collectively the Nichols Cauley companies—provide professional services. The Nichols Cauley companies operate under an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Nichols, Cauley & Associates, LLC is a licensed independent CPA firm that provides attest services to its clients. Nichols Cauley Advisory Group, LLC provides Nichols Cauley & Associates, LLC with professional and support personnel and other support services to permit Nichols Cauley & Associates, LLC to perform its attest services. Nichols Cauley Advisory Group, LLC; Nichols Cauley Transactions Group, LLC; and Partners Risk Services, LLC, and any related affiliates and subsidiaries provide tax and business consulting services to their clients, are not licensed CPA firms, and do not provide attest services. ©2026 Nichols Cauley Advisory Group, LLC.

This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the City's Net Pension Liability and Related Ratios
3. Schedule of City Pension Contributions
4. Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Supplementary information other than RSI and the Schedule of Expenditures of Federal Awards will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Combining and individual nonmajor funds, internal service funds, and fiduciary funds
2. Schedules of projects constructed with Special Purpose Local Option Sales Tax Proceeds
3. Community Development Block Grant Program Schedules
4. Schedule of Expenditures of Federal Awards

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

1. Introductory Section of the ACFR
2. Statistical Section of the ACFR

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

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

Audit of the Financial Statements

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

We also:

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

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

- Improper revenue recognition is considered an inherent risk according to GAAS
- Management override of controls is considered an inherent risk according to GAAS

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

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

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit of Major Program Compliance

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

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

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

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

Also, as required by the Uniform Guidance, we will obtain an understanding of the City's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

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

Management Responsibilities

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

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and

- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the City and others from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the City complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the City involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials and on compliance; and
- j. For the accuracy and completeness of all information provided.
- k. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
- l. For maintaining records that adequately identify the source and application of funds for federally funded activities;
- m. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- n. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the City is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
- o. For identifying and ensuring that the City complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
- p. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
- q. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
- r. For taking prompt action when instances of noncompliance are identified;
- s. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- t. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;

- u. For submitting the reporting package and data collection form to the appropriate parties;
- v. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
- w. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
- x. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

Services

Nichols Cauley is the brand name under which we and Advisory and its affiliate entities provide professional services. We and Advisory (and its affiliate entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. We are a licensed independent CPA firm that provides attest services to its clients, and Advisory and its affiliate entities provide nonattest services, such as tax and business consulting services to their clients. Advisory and its affiliate entities are not licensed CPA firms and do not provide attest services. The entities falling under the Nichols Cauley brand are each individual firms that are separate legal and independently owned entities and are not responsible or liable for the services and/or products provided by any other entity providing services and/or products under the Nichols Cauley brand. Our use of the terms "our firm" and "our", "we" and "us" and terms of similar import, denote the alternative practice structure conducted by us and Advisory.

We have a contractual arrangement with Advisory whereby Advisory provides us with professional and support personnel and other support services to allow us to perform our professional services. Client hereby consents to our sharing its Client information with Advisory in support of the services to be provided by us. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to make disclosures to Advisory and its employees of confidential information that we may obtain in the course of our engagement.

In connection with the alternative practice structure, Advisory maintains custody of client files for us and Advisory. By executing this engagement letter, you hereby consent to the transfer to Advisory of all your client files, work papers and work product. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to transfer such files and records.

With respect to any nonattest services performed for the City:

1. We will prepare the financial statements of the City in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities. All nonattest services are performed by Nichols Cauley Advisory Group, LLC and its affiliates.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

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

- We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Accounting Review Services issued by the AICPA.
- The nonattest services are limited to those defined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining accounting coding and approving journal entries.

Reporting

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

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

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

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

Nichols Cauley may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to secure portals or clouds. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

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

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The timing of our audit will be scheduled for performance and completion as follows:

	<i>Begin</i>	<i>Complete</i>
Document the system of internal control and preliminary tests	August 2026	August 2026
Mail confirmations	July 2026	July 2026
Perform year-end audit procedures	August 2026	December 2026
Issue audit report	December 2026	December 2026

Gregory M. Chapman is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising Nichols, Cauley & Associates, LLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. Contact information for Gregory M. Chapman is as follows: gchapman@nicholscauley.com, 478-275-1163, C/O Nichols, Cauley & Associates, LLC, 1300 Bellevue Avenue, Dublin, Georgia 31021.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered monthly and are payable upon presentation. We estimate that our fee for the financial statement audit and assistance preparing the ACFR will be **\$58,250** and our fee for the single audit will be **\$5,250** for the first major program and **\$3,250** for each additional major program (as required). We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. If balances become overdue, a finance charge will be added to

the next bill. The finance charge will be determined by adding a monthly percentage of 0.75% to the unpaid previous balance.

In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for time expended and reimburse us for all out-of-pocket expenses through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be covered by the terms of this engagement letter.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

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

The audit documentation for this engagement is the property of Nichols, Cauley & Associates, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to the cognizant or oversight agency for audit or its designee, federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nichols, Cauley & Associates, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

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

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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

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

- Our view about the qualitative aspects of the City's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;

- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client. Accordingly, the City agrees it will compensate Nichols, Cauley & Associates, LLC for any additional costs incurred as a result of the City's employment of a partner or professional employee of Nichols Cauley.

Any claim arising out of services rendered pursuant to this agreement shall be resolved in accordance with the laws of the State of Georgia. If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by the parties.

The City and Nichols, Cauley & Associates, LLC both agree that any dispute over fees charged by us to the City will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

This letter constitutes the complete and exclusive statement of agreement between Nichols, Cauley & Associates LLC and City of Dublin, Georgia, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement between the parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

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

Respectfully,

Nichols, Cauley & Associates, LLC



By: Gregory M. Chapman, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

City of Dublin, Georgia

Acknowledged and agreed on behalf of City of Dublin, Georgia by:

Signature: _____

Title: _____

Date: _____

Mayor
June 24, 2016
Dorothy Phelan - City Clerk

