



GOVERNMENT SERVICES GROUP OVERVIEW

MERCADIEN, P.C., CPAs
Government Services Group



All rights reserved. This publication was prepared by Mercadien, P.C., CPAs. It is intended solely for the information and education of its clients and colleagues. No part of this publication may be reproduced, transmitted, distributed or otherwise transferred in any form or by any means, electronic mechanical, including photocopying, recording, or any information storage retrieval system without permission in writing from the publisher. Such prohibited distribution shall include, but not be limited to, distribution to advisors of the intended user. Further derivative works may not be prepared based on this publication without permission in writing from the publisher.

© Mercadien, P.C., CPAs
P.O. Box 7648
Princeton, NJ 08543-7648
Phone 609.689.9700 • Fax 609.689.9720
www.mercadien.com • info@mercadien.com

Background

Mercadien, P.C., CPAs' Government Services Group provides state and local authorities, agencies, commissions and trusts, municipalities, colleges, and universities with traditional accounting services including completion of annual audits; performance audits; preparation of annual financial statements; compliance with federal, state, and local government requirements; arbitrage rebate calculations; and more. We work with nonprofit and governmental entities throughout New Jersey including Mercer, Camden, Burlington, Middlesex, Bergen, and Essex Counties, as well as Bucks County, Pennsylvania. Furthermore, we take a comprehensive approach to client engagements, providing government agencies with services not typically offered by accounting firms including computer consultation and GASB new pronouncement implementation services.

Mercadien, P.C. distinguishes itself by providing a level of highly personalized client services normally associated only with smaller CPA firms, combined with the range of technical abilities and professional expertise generally available only from national CPA firms.

Founded in 1963, the Princeton office of Mercadien, P.C. has a staff of approximately 85 professionals, including 13 principals.

We uphold the very highest standards of accounting and auditing services, and since we are a member of the American Institute of Certified Public Accountants (the "AICPA") Division for CPA firms, we complete an annual review of operations for performance to such standards. As required by the AICPA, we undergo a peer review every three years. In the fall of 2007, we successfully completed our tenth peer review. We are also a member of AICPA's Governmental Audit Quality Center (the "Center"). This Center is a national community of CPA firms that demonstrate a commitment to governmental audit quality and to raising awareness about the importance of governmental audits. As a member of the Center, we are kept up to date with best practices, guidelines, and tools relevant to

governmental audits, and in turn, we pledge our adherence to the Center's membership requirements, which include the designation of a partner responsible for the firm's governmental audit practice, the establishment of quality control programs, performing annual internal inspection procedures, and making the firm's peer review report findings publicly available.

Our principals' professional involvement includes membership in the American, Pennsylvania, New York, and New Jersey Institutes of Certified Public Accountants. Furthermore, we are members of the Association of Government Accountants, Associates of Government Finance Officers Association, the New Jersey Association of Environmental Authorities, the New Jersey Association of Counties, and the College Business Officers Association.

Additionally, Mercadien, P.C. has been awarded a state contract for accounting and auditing services (contract T-2458). Mercadien, P.C. was selected via a formal competitive bid process. This state award greatly facilitates the timely acquisition of cost-effective and high quality accounting and auditing services to virtually all government entities in New Jersey via the Cooperative Purchasing Law that allows for local government entities (including counties, cities, townships, boards of education, authorities, etc.) to piggyback on state contracts without the need for a formal bid process.

When you work with Mercadien, you will be working with experienced professionals. Our integrated service teams bring together accounting, tax, and consulting specialists. Before we do anything, we take the time to get to know your management team and the specific issues affecting your organization. Our objective is to provide quality service which exceeds your expectations. We work hard to gain and maintain our client's confidence in our abilities.

We understand the needs and expectations of our clients and welcome the opportunity to serve not only as accountants, but also as business advisors. As part of our commitment to

client service, we have developed a business advisory approach which emphasizes looking beyond the accounting entries to the underlying transactions and systems.

Mercadien, P.C. is an integral part of the RSM McGladrey Network, the national accounting firm association of RSM McGladrey, Inc. This affiliation gives us access to a full range of national and international capabilities, including the resources of almost 300 locations through the United States. Internationally, our affiliation includes over 600 offices in over 70 countries worldwide. In most cases, our RSM McGladrey Network affiliation allows us to meet demands that financial services be performed by a “nationally recognized accounting firm.” We accepted an invitation to become affiliated with this network because it is a natural outgrowth of our commitment to clients and our determination to stay on the cutting edge of developments affecting accounting and consulting firms.

What You Should Expect

You will receive quality reports that are recognized and accepted in the governmental industry. You can expect us to regularly communicate the progress of our work, as well as thoroughly discuss and verify our findings before issuing them in final form.

You can expect to receive recommendations and sound advice about accounting and management matters. We believe our ability to recognize and address the specific needs of clients has helped our firm become one of the region's most successful accounting and consulting firm.

Broad range of consulting capabilities. Ultimately, the extent to which your organization can grow and succeed depends on how effectively it copes with problems and capitalizes on opportunities. Our clients' need for help in overcoming obstacles and addressing vital management issues has shaped our management consulting services. Services include: information technology, business planning, financial planning, human resources, and operations reviews. Mercadien has resources in all these areas locally.

Review of internal controls. Our extensive experience with government agencies allows us quickly to gain an understanding of the particulars of each office's day-to-day operation. As in any office, when one person or just a few people control financial information, there is increased opportunity for fraud and embezzlement. We will work with you and your office staff to implement a system of internal controls that will both mitigate the opportunity for fraud and promote the smooth operation of the office.

We listen. We gain a thorough understanding of your organization's objectives and focus our services on the accomplishment of these objectives and capitalize on those opportunities.

You will be served by a client service team from year-to-year. A client service team assures you of the best possible service and allows specialists to focus their attention on your specific needs.

We react to clients' requests with a sense of urgency. At the same time, we practice proactively. We initiate contact with our clients so we can keep abreast of developments in state and local government. We do this at no extra cost to you. We consider this time our investment in the relationship we build with our clients.

We deliver our services timely. We hold ourselves accountable to a standard of delivering financial reports enabling our clients to meet their regulatory filing deadlines.

We are well-known and respected for our quality. We have a strong reputation in the government sector and public markets for providing quality financial information.

We provide a quality product on a timely basis for a competitive fee. For over 45 years, we have built our practice on this philosophy.

Proactive Approach. Proactive client service is a priority among partners and professionals at Mercadien. We are structured to ensure clients an unusually high amount of partner attention and involvement to combat challenges before they develop into unwelcome surprises.

We are committed to our clients and hope you will give us an opportunity to work with you.

List of Services

Audit and Accounting

- Completion of annual audits
- Agreed upon procedures
- Yellow book audits
- Single audits
- Compliance with federal, state, and local government
- Reviews and assistance to management
- Enrollment audits (Colleges & Universities)
- Auxiliary enterprise audits (Colleges & Universities)
- Preparation of annual financial statements (AFS) (Municipalities)
- Preparation of annual debt statement (Municipalities)
- Preparation of annual budgets (Municipalities)

Computer Consultation

- Development of computer networks
- Training for accounting, bookkeeping, and administrative staff
- Development of fixed asset systems to comply with NJ Division of Local Government Services
- Network monitoring services

Bond Offerings

- Assistance in developing official statement
- Consultation with attorneys, rating agencies, underwriters, and financial advisors
- Arbitrage rebate calculations
- Refunding bond verification services
- Bond comfort letters
- Preparation of supplemental debt statements (Municipalities)

Specialized Services

Other Consulting and Audit

- Internal audit
- Internal control procedure reviews
- Compliance reviews
- American Recovery and Reinvestment Act compliance monitoring services
- Reviews for compliance with bond resolutions
- Operational reviews
- Organizational and efficiency reviews
- Performance audit
- GASB implementation
- Tax compliance services