



CITY OF FLEMINGTON, GEORGIA

TECHNICAL PROPOSAL FOR INDEPENDENT AUDIT SERVICES

Fiscal Years Ended June 30, 2026, 2027 and 2028

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TITLE PAGE

Request for Proposal Subject: Technical proposal for the independent audit of the basic financial statements of the ***City of Flemington, Georgia*** for the Fiscal Years Ended June 30, 2026, 2027 and 2028.

Firm Name: *Morris & Waters*

Contact Person: Keith A. Waters, CPA, 325 Tellico Rd, Canton GA, 30115.
Phone (770)883-3516. Email: kwaters@morris-waters.com

Date of Proposal: August 19, 2025

TRANSMITTAL LETTER

The *City of Flemington, Georgia*
August 19, 2025
Flemington, GA

We are pleased to have the opportunity to submit our proposal for the independent audit of the basic financial statements of the *City of Flemington, Georgia* for the Fiscal Years Ended June 30, 2026, 2027 and 2028. We herein submit the following information and proposal for your consideration. We fully understand the services proposed and look forward to having the opportunity of serving the *City* in the capacity of independent auditors. We are committed to helping the *City* submit its annual audit to the State of Georgia and other recipients on a timely basis.

The contact person for this Request for Proposal is Keith A. Waters, CPA, 325 Tellico Rd, Canton GA, 30115. Keith Waters can be reached at (770)883-3516 or by email: kwaters@morris-waters.com.

We have an established reputation of providing quality auditing services to Georgia governmental clients since 1996. We are pleased to present our audit services to the *City* for your consideration and would appreciate the opportunity of serving you as your independent auditors.

Sincerely,

Morris & Waters

Keith A Waters

Keith A. Waters
Certified Public Accountant

INTRODUCTION

General Information

The *City of Flemington, Georgia* has requested this proposal from Morris & Waters to audit its basic financial statements for the Fiscal Years Ended June 30, 2026, 2027 and 2028. This audit is to be performed in accordance with generally accepted government auditing standards, the standards set forth for financial audits in the Government Accountability Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act and the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as well as all applicable requirements of audits for a local governmental entities as set forth in the Official Code of Georgia Annotated, and any applicable requirements of federal and state lending and grantor agencies.

The Audit of the *City of Flemington, Georgia* for the Fiscal Years Ended June 30, 2026, 2027 and 2028 is not expected to be covered by the Federal Single Audit Act.

Term of Engagement:

This proposal is for audit services for the Fiscal Years Ended June 30, 2026, 2027 and 2028.

Additional information:

It is understood that to aid the *City* in selecting a certified public accounting firm to provide auditing services, it may serve the *City's* best interest to request additional information or clarifications from proposers. We would be happy to supply to the *City* such additional information along with a list of referral contacts. A listing of clients served is included later in this proposal. We understand that the selection of an auditor is a very important decision and we would be more than happy to answer any questions as part of the auditor evaluation process if necessary.

The *City* may retain this proposal and use any ideas contained herein regardless of whether our proposal is selected. Our submission of this proposal indicates our acceptance of the conditions contained herein.

NATURE OF SERVICES TO BE PROVIDED

A. General

The *City of Flemington, Georgia*, is soliciting the services of qualified certified public accounting firms to audit its basic financial statements for the Fiscal Years Ended June 30, 2026, 2027 and 2028. These audits are to be performed in accordance with the provisions required by the Georgia Department of Audits and Accounts as well as any future changes required by the Governmental Accounting Standards Board, the State of Georgia or other authoritative entities.

B. Scope of Work to be Performed

The *City of Flemington, Georgia*, desires the auditors to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles (GAAP) as they apply to governmental entities. The *City of Flemington, Georgia*, also desires the auditors to produce the audited basic financial statements in a form suitable for submission to interested parties. The auditors shall also be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as required by generally accepted government auditing standards (GAGAS).

C. Auditing Standards to be Followed

The audit we propose shall be performed in accordance with GAGAS as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accountability Office's Government Auditing Standards, the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We shall comply with all applicable State of Georgia Statutes and federal and state agency regulations.

D. Reports to be Issued and Documents to be Produced

Following the completion of the audit fieldwork, we shall produce the *City's* Annual Financial Report which will consist of the following:

1. The Independent Auditors' Report
2. The Basic Financial Statements
3. Notes to the Basic Financial Statements
4. Required Supplementary Information
5. Additional Supplementary Information regarding the Capital Projects and Special Revenue Funds (if applicable)
6. The Special Purpose Sales and Use Tax Report
7. The Report on Compliance and on Internal Control over Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
8. Grant Certifications Required by the State of Georgia (if applicable)

NATURE OF SERVICES TO BE PROVIDED *(Continued)*

D. Reports to be Issued and Documents to be Produced *(Continued)*

To the *City's* financial management, we will provide the following:

1. All adjusting entries for the fiscal year under audit
2. A post-closing audited trial balance
3. A discussion draft of the entire audited Financial Statements and Supplemental Information
4. 6 Bound copies of the final signed Financial Statements and Supplemental Information

We shall inform the *City's* mayor and City council, of the following, where applicable:

1. Significant audit adjustments
2. Significant disagreements with management
3. Major issues discussed with management prior to retention
4. Difficulties encountered in performing the audit
5. Any reportable conditions found during the audit
6. Fraud or illegal acts or indications of illegal acts discovered in the audit

E. Availability for Consultation

In addition to the audit services we will provide, we shall also be available for consultation during the year to agree upon the accounting treatment of a transaction or transactions and to provide advice relative to accounting questions that may arise during the year. These additional services will be provided at no additional charge, and may include one or more of the following services:

- a. Consultation on accounting matters as they arise throughout the year
- b. Suggested accounting and internal control guidelines for the *City* to follow
- c. Being available to answer questions by phone or email
- d. Assistance in the preparation of all necessary fiscal year-end reports

F. Working Paper Retention and Access to Working Papers

All working papers and reports will be retained by the Morris & Waters at our expense, for a minimum of seven (7) years, unless the firm is notified in writing by the *City* of the need to extend the retention period.

G. Last 3 City Audits

City of Hephzibah
Clerk Amanda Brookins
2530 GA Highway 88
Hephzibah, GA 30815
(706)592-4423

Town of Comer
Clerk – Mary Anderson
P.O. Box 65
Comer, GA 30629-0065
(706)783-4552

City of Washington
Fin. Director Kathy Bouttry
102 E Liberty Street
Washington, GA 30673
(706)678-3277

TECHNICAL PROPOSAL FOR INDEPENDENT AUDITING SERVICES

The *City of Flemington, Georgia*
Flemington, Georgia

We are pleased to propose our independent auditing services to the *City of Flemington, Georgia*, for the Fiscal Years Ended June 30, 2026, 2027 and 2028.

The objective of our audits are the expression of an opinion as to whether the *City's* basic financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America. The audits will include tests of the accounting records and other procedures we consider necessary to enable us to express an unqualified opinion on the *City's* basic financial statements. As a result of the audit procedures that we perform, if we intend to issue an opinion on the *City's* basic financial statements that is other than unqualified, we will fully 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 an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

The management of the *City of Flemington, Georgia*, is responsible for establishing and maintaining internal control for compliance with the provisions of contracts, grants and agreements. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations, and recorded properly to permit the preparation of the basic financial statements in accordance with generally accepted accounting principles.

The *City's* management is responsible for making all financial records and related information available to us. We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you regarding appropriate accounting principles and their application and we will also draft the basic financial statements; however, the responsibility for the basic financial statements remains with the *City of Flemington, Georgia*. Additionally, we will prepare the Schedule of Expenditure of Federal Awards, and will complete, the Data Collection Form (SF-SAC) for submission to the federal data clearinghouse. Although we can lend our assistance, the *City's* management is responsible for drafting the "Management Discussion and Analysis" section of the annual financial report. The *City's* management is also responsible for the maintenance of adequate financial records; related internal control structure policies and procedures; the selection and application of accounting principles; and establishing and maintaining controls over the safeguarding of assets. Management is also responsible for adjusting the basic financial statements to correct any material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements developed during the engagement and pertaining to the period under audit are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

TECHNICAL PROPOSAL FOR INDEPENDENT AUDITING SERVICES (Continued)

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance rather than absolute assurance about whether the basic financial statements are free of material misstatement. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements (whether caused by errors or fraud), illegal acts, or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the basic financial statements. We will inform you, however, of any matters of that nature that come to our attention. We will also inform you of any illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period of our audit and does not extend to matters that might arise during any later periods for which we are not engaged as the *City's* auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of assets, confirmations of receivables and certain other assets and liabilities by correspondence with selected individuals, organizations, creditors, and financial institutions.

In planning and performing our audits for the Fiscal Years Ended June 30, 2026, 2027 and 2028, we will consider the internal control sufficient to plan the audit to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on *City of Flemington, Georgia's* basic financial statements.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing or detecting errors and fraud that are material to the basic financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the basic financial statements. Tests of controls relative to the basic financial statements are required only if control risk is assessed below the maximum level.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the *City's* mayor and council of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the *City's* ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any.

The workpapers for this engagement are the property Morris & Waters and constitute confidential information. However, we may be requested to make certain workpapers available to another governmental authority as may be required by law or regulation. If requested, access to such workpapers will be provided under our supervision. Furthermore, upon request, we may provide photocopies of selected workpapers to another governmental authority who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental entities. Further, we agree to retain our workpapers related to this audit for a period of at least seven (7) years from the date of our report or for any additional period requested by the *City*.

TECHNICAL PROPOSAL FOR INDEPENDENT AUDITING SERVICES (Continued)

Entrance Conference, Progress Reporting and Exit Conference

On the first day of fieldwork, we will conduct an entrance conference with our primary client contact(s). The purpose of this meeting will be to discuss the audit plan and the audit calendar. From time to time during the course of the audit fieldwork, we will also report to management as to the progress of the audit and will review critical timeframes to complete the audit by the target date. Finally, we will also conduct an exit conference, wherein, we will review the draft of the audited basic financial statements and any findings that may have developed before finalizing the report.

Specific Audit Approach and Specific Areas of Focus

In accordance with Generally Accepted Auditing Standard, we will make extensive use of both sampling techniques and analytical procedures to test the *City's* recorded balances. Additional sampling techniques will also be used in Single Audit testing. Additionally, we will review the various construction and operational budgets as well as the *City's* capitalization and depreciation policies and procedures.

A primary focus of the audit will be in the area of internal controls. These will be reviewed and tested to determine if such controls are adequate in the circumstances and if they are functioning as the *City's* mayor and council and the *City's* management intend. Another major focus area will be compliance with the requirements of all grants made to the *City*.

Report Format

The report will be formatted in a manner consistent with the Government Finance Officers Association "Governmental Accounting, Auditing and Financial Reporting" or "Blue Book." This format is extremely similar to the format the *City's* report has taken in the past few years. We have found in practice that this format is the "industry standard" as well as being the most acceptable to third party users. This "Blue Book" format is consistent with the official pronouncements and examples provided by the Governmental Accounting Standards Board. The content and completeness of the Notes to the Financial Statements is another major focus area of reporting. To ensure these notes are complete, we employ several disclosure checklists, including one provided by the Georgia Department of Audits and Accounts.

PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

Independence

We are independent of the *City of Flemington, Georgia* and we have no conflict of interest as defined by generally accepted auditing standards and the standards of the U.S. General Accountability Office's Government Auditing Standards.

Qualifications and Experience

Morris & Waters is a firm of seasoned and dedicated certified public accountants whose focus is on providing Georgia municipal governments the highest quality audit and consulting services. We conduct our audits with highly trained and efficient personnel to produce efficiency and effectiveness. We are confident our approach will reduce the impact the annual audit has on your day-to-day operations. By narrowing the focus of our practice to concentrate solely on Georgia municipal governments, we at Morris & Waters are well prepared to meet your specific needs.

Our Governmental Audit Experience:

In addition to our auditing Georgia municipalities, Morris & Waters has extensive experience auditing a variety of local, state and federal governmental entities including: Federal Agencies, Federal Commissions, Federal Corporations, Counties, Boards of Education, Water and Sewer Authorities, Municipal Solid Waste Landfill Operations, Community Services Boards, Development Authorities, and Various Governmental Component Units & Joint Ventures.

A Partial List of Georgia Governmental Clients Served:

City of Fort Valley, Fort Valley Utility Commission, Houston County, Development Authority of Houston County, Macon County, Macon County Development Authority, Monroe County, Development Authority of Monroe County, City of Montezuma, Peach County, Peach County Development Authority, Dodge County Recreation, City of Shiloh, City of Talbotton, City of Maxeys, City of Lexington, City of Arnoldsville, Ray City, Town of Alto, City of Chauncey, City of Screven, City of Bowman, City of Alapaha, City of Carlton, City of Enigma, City of Pendergrass, City of Adrian, City of Oak Park, City of Woodbine, City of Hamilton, City of Comer, City of Baldwin, City of Ila, City of Winterville, City of Crawford, City of Maysville, City of Hephzibah, City of Twin City, City of Washington

Partners' Qualifications and Experience

Collin S. Morris, Audit Partner

Certified Public Accountant, Education: BBA Economics - University of Georgia

Experience: 34 years audit experience, including 25 years auditing governments.

Keith A. Waters, Audit Partner

Certified Public Accountant, Education: BS Accounting - Mercer University

Experience: 28 years audit experience, including 25 years auditing governments.

BID PRICE PROPOSAL

We believe the *City's* selection of Morris & Waters as its independent auditors would benefit the *City* in the following ways:

1. The *City* would be engaging an audit firm which specializes in the audits of Georgia municipalities.
2. The auditors are well known and respected in Georgia and have extensive experience in auditing governmental entities like the *City of Flemington*.
3. The auditors are committed to begin and complete work by the due date of these audits.

The bid amount shown below is an all-inclusive maximum price. No additional charges will accrue or be charged to the *City* to provide the services enumerated in this proposal. Thus, all expenses, out of pocket costs and travel costs will be borne by the auditors. Should any issues arise that would require us to expand our scope or in any way affect the price, we would discuss these issues with management prior to beginning that work.

All inclusive price for the audit of the *City's* basic financial statements for the Fiscal Years Ended June 30, 2026, 2027 and 2028 are:

June 30, 2026 - \$15,950
June 30, 2027 - \$16,750
June 30, 2028 - \$17,550