



# CITY OF WALNUT GROVE

May 12, 2022

7:00 PM

1021 PARK STREET MUNICIPAL BUILDING

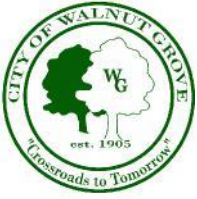
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Mayor and Council  
Council Meeting Agenda

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- I. **CALL TO ORDER**
- II. **INVOCATION**
- III. **PLEDGE OF ALLEGIANCE**
- IV. **AGENDA APPROVAL**
- V. **CONSENT AGENDA**
  1. April 14<sup>th</sup> Meeting Minutes
  2. Financials
- VI. **COMMITTEE REPORTS**
  1. Community Involvement Committee – Linda Pilgrim
  2. Parks and Recreation/Public Works – Jon Dial
  3. Education Involvement Committee – Stephanie Moncrief
- VII. **PLANNING AND ZONING COMMISSION – DON CANNON: CHAIR**
- VIII. **PUBLIC COMMENTS**
- IX. **OLD BUSINESS**
  1. Employee Handbook
- X. **NEW BUSINESS**
  1. Auditor
  2. Garbage Services
- XI. **REPORTS**
  1. Public Works Report
  2. Code Enforcement Report
  3. Clerk's Report
  4. Mayor's Report
- XII. **TOWN HALL DISCUSSION**
- XIII. **COUNCIL COMMENTS**
- XIV. **EXECUTIVE SESSION**

**XV. ADJOURN**



# CITY OF WALNUT GROVE

April 14, 2022

7:00 PM

1021 PARK STREET MUNICIPAL BUILDING

Mayor Mark Moore  
Jon Dial  
Linda Pilgrim  
Stephanie Moncrief  
Tony Powell  
Keegan Ramsey

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## Mayor and Council Council Meeting Minutes

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- I. **CALL TO ORDER** – Mayor Mark Moore
- II. **INVOCATION** – Tony Powell
- III. **PLEDGE OF ALLEGIANCE** – All participated
- IV. **AGENDA APPROVAL** – Mayor Moore called for a motion to add code enforcement to new business. Council member Linda Pilgrim made motion. Council Member Jon Dial seconded. Passed unanimously. Council member Stephanie Moncrief made motion to approve the agenda. Council member Jon Dial seconded. Passed unanimously.
- V. **CONSENT AGENDA** – Council member Linda Pilgrim made motion to approve the consent agenda. Council member Stephanie Moncrief seconded. Passed unanimously.
  1. March 10<sup>th</sup> & 31<sup>st</sup> Meeting Minutes
  2. Invoice over \$5000
  3. Financials
- VI. **COMMITTEE REPORTS**
  1. Community Involvement Committee – Council member Linda Pilgrim reported having the first employee appreciation lunch and thanked Subway and Papa Johns for providing food. Council member Pilgrim also announced the high school art department would be painting a mural in the city park on Friday.
  2. Parks and Recreation/Public Works – Council member Jon Dial reported that parks and recreation was working with the Mayor to get pickle ball lines placed on the city park tennis court.
  3. Education Involvement Committee – Council member Stephanie Moncrief reported on the new additions and improvements to the high school gym and weight room. Council member Moncrief also reported on the school board meeting and the impact awards that were presented. Council member Moncrief stated that high school graduation day is May 24.
- VII. **PLANNING AND ZONING COMMISSION – DON CANNON: CHAIR** – Moved to the next meeting
- VIII. **PUBLIC COMMENTS** - None
- IX. **OLD BUSINESS** - None
- X. **NEW BUSINESS – PUBLIC HEARING**
  1. **Ordinances**
    - a. Fence Ordinance – Mayor Moore asked if there were any comments. No comments.
    - b. HOA Approval Addition – Mayor Moore explained the ordinance change would require HOA approval for any new projects that require a city building permit before a permit is issued. Mayor Moore asked for any comments. No comments. Council member Jon Dial made motion to approve the fence ordinance change. Council member Linda Pilgrim seconded. Passed unanimously. Council member Stephanie

Moncrief made motion to approve the HOA approval addition. Council member Jon Dial seconded. Passed unanimously.

**2. Employee Manual Update** – Mayor Moore explained the desire to add a social media policy to the employee manual and move this item to the next meeting. Council member Stephanie made motion. Council member Linda Pilgrim seconded. Passed unanimously.

**3. Code Enforcement** – Mayor Moore explained to the council his request to add code enforcement to the scope of work Bureau Veritas performs for the city. Mayor Moore explained the fee would be a \$95 per hour fee charged for their top tier service. Council member Linda Pilgrim asked how many hours the code enforcement would work and Mayor Moore explained they will probably work 15 -17 hours to start then maybe drop down to 10 hours per week but could perhaps be as high as 32 hours at first. Council member Stephanie Moncrief asked if they will work weekends. Mayor Moore responded he hopes so but they have not told him the schedule and that he asked them to vary their hours to address issues that might not be present certain times. Council member Jon Dial asked if they would have more authority or a badge for better safety. Mayor Moore answered no they won't have a weapon but the code enforcement officer has a lot of experience dealing with issues in other cities he has worked with. Council member Stephanie Moncrief expressed concern that there was no cap on the amount of hours that could be worked and the potential amount of the bill. Mayor Moore answered that the city can limit the amount of hours worked. Council member Linda Pilgrim made motion to approve. Council Jon Dial member seconded. Passed 2-1 with Council member Stephanie Moncrief voting against.

## **XI. REPORTS**

1. **Public Works Report** – Mayor Moore reported the bush hogging of the sewer plant is complete and the weed treatment would begin soon. Mayor Moore also reported finding led replacements for the ball field lighting and an electrician will let the city know the condition of the wiring.
2. **Code Enforcement Report** - None
3. **Clerk's Report** – Keegan Ramsey read the balances of the city bank accounts.
4. **Mayor's Report** – Mayor Moore reported Emerald Cove will be soon be marked for paving and the project is being coordinated with Walton County to be paved during the summer. Mayor Moore also reported meeting with the Walton County Park design board and the exciting things that are being planned. Mayor Moore also gave an update on the Downtown Master plan that springs were discovered on one of the properties so changes have to be made to the plan to accommodate.

**XII. TOWN HALL DISCUSSION** – Dana Seger thanked the council for their support of the library. Mayor Moore acknowledged the two candidates running for city council. Dominic Digrado commented on the trash service not picking up some of the cans. Mayor Moore explained that this was a miscommunication and that the issue should be fixed.

**XIII. COUNCIL COMMENTS** - None

**XIV. EXECUTIVE SESSION** - None

**XV. ADJOURN** – Council member Stephanie Moncrief made motion to adjourn. Council member Linda Pilgrim seconded. Passed unanimously.

Willco Electric Company, LLC.  
 PO Box 1165  
 Monroe, GA 30655 US  
 elopez.willcoelectric@gmail.com

# Invoice



BILL TO
The City of Walnut Grove 2581 Leone Avenue Loganville, GA 30052

SHIP TO
The City of Walnut Grove 2581 Leone Avenue Loganville, GA 30052

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
WGINV	12/09/2021	\$5,550.00	01/08/2022	Net 30	

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
<b>Electrical Service</b>	Install 2 floodlight wall packs on Park Street	1	800.00	800.00
<b>Electrical Service</b>	Install 7 Lights at City Hall	1	2,800.00	2,800.00
<b>Electrical Service</b>	Install and replace 15 GFCI on buildings Troubleshoot and run circuits at city hall building 3 dedicated circuits from panel in warehouse And change 2 security lights	1	1,950.00	1,950.00

BALANCE DUE **\$5,550.00**

**City of Walnut Grove**  
**Balance Sheet**  
As of May 9, 2022

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
11.1100 Cash in Bank - General Fund	315,709.14
11.1101 Money Market - General Fund	510,487.43
11.1102 Cash in Bank - 2013 SPLOST	17,435.26
11.1103 Cash in Bank - 2019 SPLOST	265,419.72
11.1104 Cash in Bank - Sewer Operating Account	3,918.46
11.1105 Money Market - Sewer	974,529.37
11.1111 Cash in Bank - DDA	91,448.31
<b>Total Bank Accounts</b>	<u>\$ 2,178,947.69</u>

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# City of Walnut Grove

## Budget vs. Actuals: FY 2022 Budget - FY22 P&L Classes

July 2021 - June 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
31.1000 Property Taxes	218,854.68	195,000.00	23,854.68	112.23 %
31.1310 Title Ad Valorem - TAVT	41,188.41	26,000.00	15,188.41	158.42 %
31.1315 Motor Vehicle Tax	1,869.04	2,500.00	-630.96	74.76 %
31.1340 Intangible Tax	5,117.17	500.00	4,617.17	1,023.43 %
31.1600 Real Estate Transfer Tax	1,914.94	1,250.00	664.94	153.20 %
31.1710 Franchise Tax - Electric	62,595.21	59,500.00	3,095.21	105.20 %
31.1730 Franchise Tax - Gas	3,011.60	3,300.00	-288.40	91.26 %
31.1750 Franchise Tax - Cable	9,183.32	6,000.00	3,183.32	153.06 %
31.1760 Franchise Tax - Telephone	2,637.22	3,000.00	-362.78	87.91 %
31.3100 Local Option Sales Tax	228,244.97	210,000.00	18,244.97	108.69 %
31.4200 Alcohol Excise Tax	72,504.08	80,000.00	-7,495.92	90.63 %
31.6200 Insurance Premium Tax	108,951.81	105,000.00	3,951.81	103.76 %
31.8000 Other Taxes	11.54	2,100.00	-2,088.46	0.55 %
32.1110 Alcohol Licenses - Beer		1,250.00	-1,250.00	
32.1120 Alcohol Licenses - Wine	200.00	1,000.00	-800.00	20.00 %
32.1130 Alcohol Licenses - Liquor	2,300.00	3,400.00	-1,100.00	67.65 %
32.1200 Business License	10,900.00	10,000.00	900.00	109.00 %
32.2200 Building Permits and Inspections	58,413.47	22,500.00	35,913.47	259.62 %
32.2990 Other Permits	175.00	500.00	-325.00	35.00 %
33.1000 Intergovernmental Revenue - Federal	1,758.48		1,758.48	
33.1010 Intergovernmental Revenue - CARES Act	253,376.50		253,376.50	
33.7100 SPLOST Revenue	219,436.22		219,436.22	
34.1100 Court Services	1,174.00		1,174.00	
34.1910 Election Qualifying Fee	36.00	73.00	-37.00	49.32 %
34.4100 Sanitation Charges	2,030.11		2,030.11	
34.4255 Sewerage Charges	8,528.09		8,528.09	
34.7000 Recreation Income	2,272.60	5,000.00	-2,727.40	45.45 %
34.9999 Other Charges	8,189.98	850.00	7,339.98	963.53 %
35.1000 Fines and Forfeitures	25,607.00	50,000.00	-24,393.00	51.21 %
35.1020 Court Fees - Other	6,246.00	1,500.00	4,746.00	416.40 %
36.1000 Interest Revenue	503.05	500.00	3.05	100.61 %
38.9999 Miscellaneous Revenue	560.28		560.28	
donation	975.00		975.00	
<b>Total Income</b>	<b>\$1,358,765.77</b>	<b>\$790,723.00</b>	<b>\$568,042.77</b>	<b>171.84 %</b>
<b>GROSS PROFIT</b>	<b>\$1,358,765.77</b>	<b>\$790,723.00</b>	<b>\$568,042.77</b>	<b>171.84 %</b>
<b>Expenses</b>				
51.1100 Salaries and Wages	175,018.26	209,400.00	-34,381.74	83.58 %
51.2100 Group Insurance		10,000.00	-10,000.00	
51.2200 Payroll Taxes - Social Security	15,973.61		15,973.61	
51.2215 Payroll Taxes - Federal Unemployment		500.00	-500.00	
51.2220 Payroll Taxes - State Unemployment	1,175.68	500.00	675.68	235.14 %

# City of Walnut Grove

## Budget vs. Actuals: FY 2022 Budget - FY22 P&L Classes

July 2021 - June 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
52.1100 Court Software	2,122.47	3,000.00	-877.53	70.75 %
52.1300 IT Services	7,590.37	10,000.00	-2,409.63	75.90 %
52.2110 Solid Waste Collection	58,202.10	60,000.00	-1,797.90	97.00 %
52.2200 Repairs and Maintenance	71,558.95	15,000.00	56,558.95	477.06 %
52.2210 Repairs and Maintenance - Vehicles Code Officer	16,670.05 110.74	10,000.00	6,670.05 110.74	166.70 %
<b>Total 52.2210 Repairs and Maintenance - Vehicles</b>	<b>16,780.79</b>	<b>10,000.00</b>	<b>6,780.79</b>	<b>167.81 %</b>
52.2220 Repairs and Maintenance - Streets, Roads and Bridges	62,079.30	10,000.00	52,079.30	620.79 %
52.2240 Professional Services	7,430.48	5,000.00	2,430.48	148.61 %
52.2241 Professional Services - Engineering	120,393.54	55,000.00	65,393.54	218.90 %
52.2242 Professional Services - Accounting	33,789.96	35,000.00	-1,210.04	96.54 %
52.2243 Professional Services - Legal	47,941.34	51,000.00	-3,058.66	94.00 %
52.2244 Professional Services - Security	1,633.23	500.00	1,133.23	326.65 %
52.2250 Facility and Grounds Maintenance	96,949.65	15,000.00	81,949.65	646.33 %
52.2260 Liability Insurance	38,313.00	15,000.00	23,313.00	255.42 %
52.3200 Communications - Telephone	12,711.90	11,000.00	1,711.90	115.56 %
52.3200 Communications - TelephoneWire	1,278.56	500.00	778.56	255.71 %
52.3300 Advertising	3,138.50	5,000.00	-1,861.50	62.77 %
52.3500 Travel	1,459.55	1,500.00	-40.45	97.30 %
52.3600 Dues and fees	10,042.21	3,500.00	6,542.21	286.92 %
52.3610 Bank Charges	1,291.36	100.00	1,191.36	1,291.36 %
52.3700 Training and Education	14,085.73	21,500.00	-7,414.27	65.52 %
52.3850 Contract Labor	2,025.00	5,000.00	-2,975.00	40.50 %
52.3900 Other Expenses	133,860.65	3,500.00	130,360.65	3,824.59 %
53.1100 Cleaning Supplies		500.00	-500.00	
53.1110 Office Supplies	3,755.28	3,500.00	255.28	107.29 %
53.1115 Pavilion Rental Expenses	-30.00	650.00	-680.00	-4.62 %
53.1120 Postage	834.00	1,000.00	-166.00	83.40 %
53.1130 General Supplies - Other	3,129.73	3,000.00	129.73	104.32 %
53.1140 Community Support/Events	2,623.19	5,000.00	-2,376.81	52.46 %
53.1210 Utilities - Water	1,791.97	700.00	1,091.97	256.00 %
53.1220 Utilities - Gas	829.17	1,050.00	-220.83	78.97 %
53.1230 Utilities - Electricity	40,554.11	30,500.00	10,054.11	132.96 %
53.1270 Gas, Oil, Diesel	8,088.47	500.00	7,588.47	1,617.69 %
53.1700 Other Supplies	47.85		47.85	
53.9999 Miscellaneous Expenditures		6,000.00	-6,000.00	
54.1000 Property		2,000.00	-2,000.00	
54.1400 Capital outlay - Roads Streets and Bridges	44,821.00	50,000.00	-5,179.00	89.64 %
54.2500 Equipment	6,820.45	10,000.00	-3,179.55	68.20 %
54.2600 New Construction	36,482.24	10,723.00	25,759.24	340.22 %
57.1000 Other Business Expenses	606.50	500.00	106.50	121.30 %
57.3000 Library	50,482.50	50,000.00	482.50	100.97 %
57.3300 Peace Officer Annuity/Benefit Fund	2,050.44	2,500.00	-449.56	82.02 %

# City of Walnut Grove

## Budget vs. Actuals: FY 2022 Budget - FY22 P&L Classes

July 2021 - June 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
57.3320 Crime Lab Fees		50.00	-50.00	
57.3340 Drivers Ed/Training Fund		50.00	-50.00	
57.3370 Drug Abuse Treatment and Education	1,663.30	1,000.00	663.30	166.33 %
57.3375 County Jail Fund	1,843.92	2,000.00	-156.08	92.20 %
57.3380 Peace Officer - Prosecutor's Fund		3,000.00	-3,000.00	
57.3385 Local Victim Assist. Fund	1,054.55	500.00	554.55	210.91 %
57.3390 GA Crime Victims Assist. Program		500.00	-500.00	
57.3391 Peace Officer - Prosecution Indigent Fund		3,500.00	-3,500.00	
57.3392 Sheriff's Retirement Fund of GA	260.00	500.00	-240.00	52.00 %
57.3393 GSCCCA Payouts	5,854.07	4,000.00	1,854.07	146.35 %
57.4000 Walton County Board of Commissioners	5,737.53	5,000.00	737.53	114.75 %
58.1000 Debt Service - Principal	64,281.68	36,000.00	28,281.68	178.56 %
Reimbursements	3,419.69		3,419.69	
<b>Total Expenses</b>	<b>\$1,223,847.83</b>	<b>\$790,723.00</b>	<b>\$433,124.83</b>	<b>154.78 %</b>
NET OPERATING INCOME	<b>\$134,917.94</b>	<b>\$0.00</b>	<b>\$134,917.94</b>	<b>0.00%</b>
NET INCOME	<b>\$134,917.94</b>	<b>\$0.00</b>	<b>\$134,917.94</b>	<b>0.00%</b>



389 Mulberry Street | Macon, Georgia 31201  
Post Office Box One | Macon, Georgia 31202  
478-746-6277 | mmmcpa.com

April 27, 2022

City of Walnut Grove, Georgia  
2581 Leone Avenue  
Loganville, Georgia 30052

The following represents our understanding of the services we will provide City of Walnut Grove, Georgia.

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of City of Walnut Grove, Georgia, as of June 30, 2022, 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. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 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.

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 and budgetary comparison information 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. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

Supplementary information other than RSI 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:

- Schedules of Projects Constructed with of Special Purpose Local Option Sales Tax Proceeds

### **Auditor Responsibilities**

We will conduct our audit in accordance with GAAS and with *Government Auditing Standards*. As part of an audit in accordance with GAAS and with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We will 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 internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity'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.

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 *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.

### **Management Responsibilities**

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

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance 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
3. To provide us with:
  - (1) 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;
  - (2) Additional information that we may request from management for the purpose of the audit;
  - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

- (4) 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
  - (5) 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.
4. 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;
  5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
  6. 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; and
  7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
  8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
  10. For the accuracy and completeness of all information provided.

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.

### ***Nonattest Services***

We will prepare the financial statements and related notes which are considered nonattest services. 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.

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 issued by the AICPA.
- The nonattest services are limited to the report preparation services previously outlined. 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 account 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 City Council of City of Walnut Grove, Georgia. 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.

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.

Our firm 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 Box.com. 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.

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.

## **Provisions of Engagement Administration, Timing and Fees**

Terry McMichael and Pat Muse are the engagement partners for the audit services specified in this letter including signing or authorizing another qualified firm representative to sign the audit report. Kenneth R. Neil is the engagement manager and will be responsible for the supervision of the day-to-day activities of the engagement.

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.

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 every month and are payable upon presentation. We estimate that our fee for the audit will be approximate \$15,000. 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. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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.

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.

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 City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity'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.

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.

Very truly yours,

*McNair, McLeMore, Middlebrooks & Co., LLC*  
MCNAIR, MCLEMORE, MIDDLEBROOKS & Co., LLC



RESPONSE:

This letter correctly sets forth the understanding of the City of Walnut Grove, Georgia.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_



## Report on the Firm's System of Quality Control

To the Members of  
McNair, McLemore, Middlebrooks, & Co., LLC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of McNair, McLemore, Middlebrooks & Co., LLC (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2019. 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](http://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, and an audit performed under FDICIA.

As 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 McNair, McLemore, Middlebrooks & Co., LLC, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2019, 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*. McNair, McLemore, Middlebrooks & Co., LLC has received a peer review rating of *pass*.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
January 27, 2020