



## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Mayor and Members of the City Council  
of the City of Hattiesburg, Mississippi  
Hattiesburg, Mississippi

To the Mayor and Members of the City Council:

We have audited the financial statements of the City of Hattiesburg, Mississippi as of and for the year ended September 30, 2022, and have issued our report thereon dated June 28, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 19, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Hattiesburg, Mississippi solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and other matters noted during our audit in a separate letter to you dated June 28, 2023.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.



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To the Mayor and Members of the City Council  
of the City of Hattiesburg, Mississippi

### **Significant Risks Identified**

We have identified the following significant risks:

- Management override of internal controls was identified as a significant risk, as always with any audit. This risk requires special audit consideration as management can perpetuate financial reporting frauds by overriding established control procedures and by recording unauthorized or inappropriate journal entries or other closing adjustments.
- Improper revenue recognition was identified as a significant risk due to fraud.
- Fuel and shop inventories were identified as a significant risk due to fraud.
- Capital asset activity was identified as a significant risk due to untimely reconciliations.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Hattiesburg, Mississippi is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the City changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the depreciation of capital assets is based on the estimated useful life of those assets. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Management's estimate of the allowance for doubtful accounts for the water and sewer receivable is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Management's estimate of the allowance for uncollectible accounts for fines receivables is based on the historical industry average for the collection rate of police fines receivable. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

To the Mayor and Members of the City Council  
of the City of Hattiesburg, Mississippi

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Hattiesburg, Mississippi's financial statements relate to:

- The disclosure of the Other Postemployment Benefits (OPEB) in Note 18 of the financial statements. We relied on the actuarial calculations in reporting the annual OPEB cost and the total OPEB liability.
- The disclosure of the Defined Benefit Pension Plans in Note 19 of the financial statements. We relied on the actuarial calculations in reporting the annual cost and net pension liability for the PERS and PFDR plans.

The financial statement disclosures are neutral, consistent, and clear.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Hattiesburg, Mississippi's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated June 28, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

To the Mayor and Members of the City Council  
of the City of Hattiesburg, Mississippi

### **Other Significant Matters, Findings, or Issues**


In the normal course of our professional association with the City of Hattiesburg, Mississippi, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Hattiesburg, Mississippi's auditors.

We were engaged to report on Schedules 9 through 26, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Additionally, we have the following recommendations:

- We recommend that the existing chart of accounts be annually reviewed and updated to facilitate reporting accuracy and clarity.
- We recommend the accounting department perform a periodic analytical review of account balances to identify unusual trends or errors on a timely basis for correction prior to year-end closeout.
- In conjunction with the state requirement that the City maintain an inventory of assets, we recommend the City reinstate the inventory tagging system. Additionally, we recommend a periodic verification of tagged assets as reported by the individual City departments.

This report is intended solely for the information and use of the Mayor and Members of the City Council, of the City of Hattiesburg, Mississippi and is not intended to be and should not be used by anyone other than these specified parties.

  
Hattiesburg, Mississippi  
June 28, 2023

Client: **108554 - Forrest County, Mississippi**  
 Engagement: **108554 - Audit 2022**  
 Period Ending: **9/30/2022**  
 Trial Balance: **3000.01 - TB**  
 Workpaper: **3700.01 - Adjusting Journal Entries Report**  
 Fund Level: **All**  
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>				
To reverse PY AJE's #51 and #53 that recorded related due from General Fund at 9/30/2021.				
104 000 220	Law Library Fees		243.00	
104 000 220	Law Library Fees		942.00	
109 000 236	Other Court Fines		194.00	
113 000 236	Other Court Fines		950.00	
114 000 236	Other Court Fines		2,528.00	
115 000 236	Other Court Fines		547.00	
104 000 190	COMMITTED FUND BALANCE			243.00
104 000 190	COMMITTED FUND BALANCE			942.00
109 000 190	COMMITTED FUND BALANCE			194.00
113 000 190	COMMITTED FUND BALANCE			950.00
114 000 195	RESTRICTED FUND BALANCE			2,528.00
115 000 190	COMMITTED FUND BALANCE			547.00
<b>Total</b>			<b>5,404.00</b>	<b>5,404.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To reverse PY AJE #45 to record the tax collector receivable - General Fund.				
001 000 190	COMMITTED FUND BALANCE		264,247.00	
001 000 190	COMMITTED FUND BALANCE		903,337.00	
001 000 190	COMMITTED FUND BALANCE		171,305.00	
001 000 200	Realty/Personal		56,927.00	
001 000 201	Motor Vehicle		319,639.00	
001 000 202	Mobile Home		1,469.00	
001 000 203	Prior Year Property Tax		14,976.00	
001 000 205	Penalties & Int. on Delinq Tax		17,138.00	
001 000 211	Local Privilege Licenses		15,013.00	
001 000 214	Tax Collector's Comm. & Fees		34,559.00	
001 000 217	Printer/Publication Fees		48.00	
001 000 349	MAP Fees		1,675.00	
001 000 349	MAP Fees		149.00	
001 000 190	COMMITTED FUND BALANCE			1,362,864.00
001 000 190	COMMITTED FUND BALANCE			423,297.00
001 000 190	COMMITTED FUND BALANCE			14,321.00
<b>Total</b>			<b>1,800,482.00</b>	<b>1,800,482.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To reverse PY AJE #44 to record tax collector receivable - Special Revenue Funds.				
105 000 200	Realty/Personal		9.00	
105 000 201	Motor Vehicle		1,510.00	
105 000 202	Mobile Home		15.00	
105 000 203	Prior Year Property Tax		6.00	
118 000 200	Realty/Personal		18.00	
118 000 201	Motor Vehicle		3,019.00	
118 000 202	Mobile Home		30.00	
118 000 203	Prior Year Property Tax		14.00	
150 000 200	Realty/Personal		3,156.00	
150 000 201	Motor Vehicle		26,124.00	
150 000 202	Mobile Home		164.00	
150 000 203	Prior Year Property Tax		849.00	
150 000 210	Road & Bridge Privilege tax In		69,641.00	
160 000 200	Realty/Personal		3,506.00	
160 000 201	Motor Vehicle		20,406.00	
160 000 202	Mobile Home		94.00	
160 000 203	Prior Year Property Tax		964.00	
105 000 195	RESTRICTED FUND BALANCE			1,540.00
118 000 195	RESTRICTED FUND BALANCE			3,081.00
150 000 195	RESTRICTED FUND BALANCE			99,934.00
160 000 195	RESTRICTED FUND BALANCE			24,970.00
<b>Total</b>			<b>129,525.00</b>	<b>129,525.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To reverse PY AJE #43 to record tax collector receivable - Debt Service Funds.				
204 000 203	Prior Year Property Tax		30.00	
208 000 200	Realty/Personal		976.00	
208 000 201	Motor Vehicle		20,059.00	
208 000 202	Mobile Home		92.00	
208 000 203	Prior Year Property Tax		3,447.00	
210 000 203	Prior Year Property Tax		28.00	
271 000 203	Prior Year Property Tax		15.00	
296 000 200	Realty/Personal		413.00	

296 000 201	Motor Vehicle	1,293.00	
296 000 202	Mobile Home	6.00	
296 000 203	Prior Year Property Tax	67.00	
298 000 203	Prior Year Property Tax	32.00	
204 000 195	RESTRICTED FUND BALANCE		30.00
208 000 195	RESTRICTED FUND BALANCE		24,574.00
210 000 195	RESTRICTED FUND BALANCE		28.00
271 000 195	RESTRICTED FUND BALANCE		15.00
296 000 195	RESTRICTED FUND BALANCE		1,779.00
298 000 190	COMMITTED FUND BALANCE		32.00
<b>Total</b>		<b>26,458.00</b>	<b>26,458.00</b>

**Adjusting Journal Entries JE # 5**

To record year-end balance as of 9/30/2021 for Fund 297 for Cash with Fiscal Agent for trust account balances.

297 000 018	Cash with Fiscal Agent	1,720,966.00	
297 000 190	COMMITTED FUND BALANCE		1,720,966.00
<b>Total</b>		<b>1,720,966.00</b>	<b>1,720,966.00</b>

**Adjusting Journal Entries JE # 6**

To reverse PY AJE #58 that recorded claims payable at 9/30/2021.

001 000 190	COMMITTED FUND BALANCE	450,331.00	
104 000 190	COMMITTED FUND BALANCE	1,560.00	
105 000 195	RESTRICTED FUND BALANCE	1,734.00	
113 000 190	COMMITTED FUND BALANCE	1,797.00	
116 000 195	RESTRICTED FUND BALANCE	798.00	
118 000 195	RESTRICTED FUND BALANCE	880.00	
123 000 190	COMMITTED FUND BALANCE	29,039.00	
150 000 195	RESTRICTED FUND BALANCE	34,688.00	
160 000 195	RESTRICTED FUND BALANCE	16,035.00	
161 000 195	RESTRICTED FUND BALANCE	1,073,013.00	
208 000 195	RESTRICTED FUND BALANCE	1,500.00	
401 000 196	ASSIGNED FUND BALANCE	4,923.00	
403 000 190	COMMITTED FUND BALANCE	4,316.00	
405 000 190	COMMITTED FUND BALANCE	17,978.00	
001 100 XXX	Administrative Offices		173,881.00
001 160 XXX	Courts		121,701.00
001 200 XXX	Public Safety		143,306.00
001 400 XXX	Health		125.00
001 450 XXX	Welfare		6,324.00
001 500 XXX	Culture and Recreation		4,031.00
001 600 XXX	Conservation of Natural Resources		963.00
104 500 xxx	Culture & Recreation		1,560.00
105 340 xxx	Public Works		1,734.00
113 200 XXX	Public Safety		1,797.00
116 163 XXX	Juvenile drug court		798.00
118 200 XXX	Public Safety		880.00
123 200 xxx	Public Safety		29,039.00
150 300 XXX	Public Works		34,688.00
160 300 xxx	Public Works		16,035.00
161 300 xxx	Public Works		1,073,013.00
208 800 xxx	Debt Service		1,500.00
401 200 xxx	Public Safety		4,923.00
403 200 xxx	Public Safety		4,316.00
405 500 xxx	Culture & Recreation		17,978.00
<b>Total</b>		<b>1,638,592.00</b>	<b>1,638,592.00</b>

**Adjusting Journal Entries JE # 7**

To reverse PY AJE's #7 and #27 for Cash with Fiscal Agent.

001 000 018	Cash with Fiscal Agent	43,291.00	
001 000 190	COMMITTED FUND BALANCE		43,291.00
<b>Total</b>		<b>43,291.00</b>	<b>43,291.00</b>

**Adjusting Journal Entries JE # 8**

To reverse PY AJE #50 made to record the Circuit Clerk's cash balance at 9/30/2021. (Only revenue accounts reversed.)

001 000 213	Circuit Clerk Fees	74.00	
001 000 222	Other Lic Comm & Other Revenues	34.00	
001 000 232	Circuit Court Fines	7,229.00	
001 000 330	Interest Income	20.00	
001 000 190	COMMITTED FUND BALANCE		7,357.00
<b>Total</b>		<b>7,357.00</b>	<b>7,357.00</b>

**Adjusting Journal Entries JE # 9**

To reverse PY AJE #52 made to record Justice Court's cash balance at 9/30/2021. (Only revenue accounts reversed.)

001 000 213	Circuit Clerk Fees	770.00	
001 000 213	Circuit Clerk Fees	171.00	
001 000 213	Circuit Clerk Fees	25.00	
001 000 215	Sheriff's Fees	661.00	
001 000 216	Justice Court Clerk's Fees	15.00	
001 000 216	Justice Court Clerk's Fees	12,955.00	
001 000 216	Justice Court Clerk's Fees	4,704.00	
001 000 216	Justice Court Clerk's Fees	58.00	

001 000 216	Justice Court Clerk's Fees	40.00	
001 000 222	Other Lic Comm & Other Revenues	601.00	
001 000 222	Other Lic Comm & Other Revenues	2,170.00	
001 000 222	Other Lic Comm & Other Revenues	80.00	
001 000 222	Other Lic Comm & Other Revenues	205.00	
001 000 222	Other Lic Comm & Other Revenues	2,795.00	
001 000 222	Other Lic Comm & Other Revenues	14,310.00	
001 000 230	Justice Court Fines	23,615.00	
001 000 236	Other Court Fines	303.00	
001 000 236	Other Court Fines	2,000.00	
001 000 236	Other Court Fines	250.00	
001 000 236	Other Court Fines	100.00	
001 000 236	Other Court Fines	1,403.00	
001 000 190	COMMITTED FUND BALANCE		67,108.00
001 000 330	Interest Income		123.00
<b>Total</b>		<b>67,231.00</b>	<b>67,231.00</b>

**Adjusting Journal Entries JE # 10** PY

To reverse PY AJE #41 made to record payments sent from the Department of Corrections as of year-end not recorded by the County.

001 000 321	Reimburs for Housing Prisoners	31,800.00	
001 000 190	COMMITTED FUND BALANCE		31,800.00
<b>Total</b>		<b>31,800.00</b>	<b>31,800.00</b>

**Adjusting Journal Entries JE # 11** PY

To reverse PY AJE #74 that recorded deferred revenue.

050 000 195	RESTRICTED FUND BALANCE	6,766,152.00	
050 000 257	FED FUNDS AMERICAN RESCUE PLAN		6,766,152.00
<b>Total</b>		<b>6,766,152.00</b>	<b>6,766,152.00</b>

**Adjusting Journal Entries JE # 12** PY

To reverse PY AJE #59 made to record accrued salaries and wages.

001 000 190	COMMITTED FUND BALANCE	371,451.00	
111 000 196	ASSIGNED FUND BALANCE	672.00	
114 000 195	RESTRICTED FUND BALANCE	2,817.00	
116 000 195	RESTRICTED FUND BALANCE	605.00	
131 000 196	ASSIGNED FUND BALANCE	54.00	
150 000 195	RESTRICTED FUND BALANCE	33,171.00	
160 000 195	RESTRICTED FUND BALANCE	5,133.00	
405 000 190	COMMITTED FUND BALANCE	3,542.00	
001 100 XXX	Administrative Offices		73,810.00
001 160 XXX	Courts		174,068.00
001 200 XXX	Public Safety		115,955.00
001 400 XXX	Health		1,758.00
001 500 XXX	Culture and Recreation		3,531.00
001 600 XXX	Conservation of Natural Resources		2,329.00
111 160 xxx	Courts		672.00
114 160 xxx	courts		2,817.00
116 160 xxx	Courts		605.00
131 500 xxx	Culture and Recreation		54.00
150 300 XXX	Public Works		33,171.00
160 300 xxx	Public Works		5,133.00
405 500 xxx	Culture & Recreation		3,542.00
<b>Total</b>		<b>417,445.00</b>	<b>417,445.00</b>

**Adjusting Journal Entries JE # 13** PY

To reverse PY AJE #67 that was made to record the sales proceeds from insurance received after year-end as a receivable.

001 000 385	Compensation for Loss of Cap A	11,621.00	
001 000 190	COMMITTED FUND BALANCE		11,621.00
<b>Total</b>		<b>11,621.00</b>	<b>11,621.00</b>

**Adjusting Journal Entries JE # 14** PY

To reverse PY AJE # 49 that was made to record the Fire Rebate from the State of MS that was not recorded during the 2022 FY.

001 000 050	Intergovernmental Receivable	157,942.00	
001 000 190	COMMITTED FUND BALANCE		157,942.00
<b>Total</b>		<b>157,942.00</b>	<b>157,942.00</b>

**Adjusting Journal Entries JE # 15** 6100.02

To correct immaterial variances in fund balances.

001 000 190	COMMITTED FUND BALANCE	88.00	
027 000 196	ASSIGNED FUND BALANCE	20.00	
114 000 330	Interest Income	39.00	
001 000 346	Other Misc. Income		88.00
027 000 330	Interest Income		20.00
114 000 195	RESTRICTED FUND BALANCE		39.00
<b>Total</b>		<b>147.00</b>	<b>147.00</b>

**Adjusting Journal Entries JE # 23** 7100.03

To record payments sent by the Department of Corrections prior to year-end that were not posted by the County as of year-end.

001 000 050	Intergovernmental Receivable	29,180.00	
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001 000 321	Reimburs for Housing Prisoners		29,180.00
<b>Total</b>		<u>29,180.00</u>	<u>29,180.00</u>
<b>Adjusting Journal Entries JE # 24</b>			
To record beginning fines receivable and allowance for uncollectible balances from 9/30/2021.		<b>4200.06</b>	
001 000 023	Fines Receivable	10,718,023.00	
001 000 024	Allowance For Uncollectible Accounts		9,592,395.00
001 000 155	Deferred Revenue - Fines		1,125,628.00
<b>Total</b>		<u>10,718,023.00</u>	<u>10,718,023.00</u>
<b>Adjusting Journal Entries JE # 25</b>			
To adjust fines receivable and allowance for uncollectible fines to 9/30/2022 balances.		<b>4200.06</b>	
001 000 024	Allowance For Uncollectible Accounts	241,117.00	
001 000 023	Fines Receivable		167,859.00
001 000 155	Deferred Revenue - Fines		73,258.00
<b>Total</b>		<u>241,117.00</u>	<u>241,117.00</u>
<b>Adjusting Journal Entries JE # 26</b>			
To record Property Tax Receivable and Deferred Revenues as of 9/30/2022 based upon the adopted budget and the tax levy for taxes to be collected in FY 2022.		<b>4200.09</b>	
001 000 020	Property Taxes Receivable	28,902,789.00	
105 000 020	Property Taxes Receivable	94,327.00	
118 000 020	Property Tax Receivable	188,653.00	
150 000 020	Property Tax Receivable	2,419,285.00	
160 000 020	Property Tax Receivable	2,017,680.00	
208 000 020	Property Tax Receivable	1,831,433.00	
297 000 020	Property Taxes Receivable	176,282.00	
001 000 154	Deferred Revenue - Property Taxes		28,902,789.00
105 000 154	Deferred Revenue - Property Taxes		94,327.00
118 000 154	Deferred revenue - Property taxes		188,653.00
150 000 154	Deferred Revenue - Property Taxes		2,419,285.00
160 000 154	Deferred Revenue		2,017,680.00
208 000 154	Deferred revenue - Property taxes		1,831,433.00
297 000 154	Deferred Revenue - Property Tax		176,282.00
<b>Total</b>		<u>35,630,449.00</u>	<u>35,630,449.00</u>
<b>Adjusting Journal Entries JE # 34</b>			
To record interest income on cash held with fiscal agents - DHS and Welfare.		<b>4100.13</b>	
001 000 018	Cash with Fiscal Agent	21.00	
001 000 330	Interest Income		21.00
<b>Total</b>		<u>21.00</u>	<u>21.00</u>
<b>Adjusting Journal Entries JE # 37</b>			
To adjust PERS contributions to include Chancery and Circuit Clerk payments.		<b>7200.03d</b>	
001 901 xxx	State Retirement Matching (Circuit, Chancery, Constables)	123,435.00	
001 000 346	Other Misc. Income		123,435.00
<b>Total</b>		<u>123,435.00</u>	<u>123,435.00</u>
<b>Adjusting Journal Entries JE # 38</b>			
To record payroll liabilities.		<b>7200.03b</b>	
681 000 002	CASH IN BANK	879,554.00	
681 000 100	Claims Payable		7,435.00
681 000 108	INSURANCE PAYABLE		360,256.00
681 000 119	STATE WITHHOLDING		46,743.00
681 000 120	STATE RETIREMENT		461,478.00
681 000 121	DEFERRED COMPENSATION (TSA)		3,642.00
<b>Total</b>		<u>879,554.00</u>	<u>879,554.00</u>
<b>Adjusting Journal Entries JE # 39</b>			
To record the amount of deferred revenue related to the American Rescue Plan Act grant.		<b>7100.14</b>	
050 000 257	FED FUNDS AMERICAN RESCUE PLAN	13,266,880.00	
050 000 155	Deferred Revenue - Grants		13,266,880.00
<b>Total</b>		<u>13,266,880.00</u>	<u>13,266,880.00</u>
<b>Adjusting Journal Entries JE # 40</b>			
To reverse the PY accrual that was made for the Fire Rebate from the State of MS that was received in the CY.		<b>7100.01</b>	
001 000 951	Transfer Out - Other Governmental Funds	157,942.00	
106 000 289	Insurance Premium Tax Distribu	157,942.00	
001 000 050	Intergovernmental Receivable		157,942.00
106 000 387	Transfers In from General Fund		157,942.00
<b>Total</b>		<u>315,884.00</u>	<u>315,884.00</u>
<b>Adjusting Journal Entries JE # 45</b>			
To record Tax Collector Receivable.		<b>4200.05</b>	
654 000 054	Due from Governmental Funds	10,457.00	
656 000 054	Due from Governmental Funds	3,903.00	
654 000 147	Due to Local Governments		10,457.00
656 000 147	Due to Local Governments		3,903.00
<b>Total</b>		<u>14,360.00</u>	<u>14,360.00</u>
<b>Adjusting Journal Entries JE # 46</b>			
To record Tax Collector's Receivable - Debt Service Fund.		<b>4200.05</b>	



204 000 203	Prior Year Property Tax	39.00	
208 000 054	Due from Other Funds	22,983.00	
210 000 203	Prior Year Property Tax	55.00	
271 000 054	Due from Other Funds	1.00	
296 000 054	Due from Other Funds	1,711.00	
297 000 054	Due from Other Funds	1.00	
298 000 054	Due from General Fund	10.00	
204 000 054	Due from other funds		39.00
208 000 200	Realty/Personal		2,423.00
208 000 201	Motor Vehicle		20,413.00
208 000 202	Mobile Home		68.00
208 000 203	Prior Year Property Tax		79.00
210 000 054	Due from Other Funds		55.00
271 000 203	Prior Year Property Tax		1.00
296 000 200	Realty/Personal		181.00
296 000 201	Motor Vehicle		1,522.00
296 000 202	Mobile Home		5.00
296 000 203	Prior Year Property Tax		3.00
297 000 203	Prior Year Property Tax		1.00
298 000 203	Prior Year Property Tax		10.00
<b>Total</b>		<b>24,800.00</b>	<b>24,800.00</b>

<b>Adjusting Journal Entries JE # 47</b>		<b>4200.03</b>	
To record Tax Collector's Receivable - Special Revenue Fund.			
105 000 054	Due from Other Funds	1,756.00	
118 000 054	Due from Governmental Funds	3,515.00	
150 000 054	Due from Other Funds	97,276.00	
160 000 054	Due from Other Funds	25,357.00	
105 000 200	Realty/Personal		133.00
105 000 201	Motor Vehicle		1,569.00
105 000 202	Mobile Home		12.00
105 000 203	Prior Year Property Tax		42.00
118 000 200	Realty/Personal		266.00
118 000 201	Motor Vehicle		3,138.00
118 000 202	Mobile Home		23.00
118 000 203	Prior Year Property Tax		88.00
150 000 200	Realty/Personal		3,029.00
150 000 201	Motor Vehicle		28,010.00
150 000 202	Mobile Home		128.00
150 000 203	Prior Year Property Tax		564.00
150 000 210	Road & Bridge Privilege tax In		65,545.00
160 000 200	Realty/Personal		2,670.00
160 000 201	Motor Vehicle		22,488.00
160 000 202	Mobile Home		75.00
160 000 203	Prior Year Property Tax		124.00
<b>Total</b>		<b>127,904.00</b>	<b>127,904.00</b>

<b>Adjusting Journal Entries JE # 48</b>		<b>4200.03</b>	
To record Tax Collector's Receivable - General Fund.			
001 000 007	Cash in Sub-Offices	977,338.00	
001 000 050	Intergovernmental Receivable	581,111.00	
001 000 051	Other Receivables - TC Misc	42,986.00	
001 000 217	Printer/Publication Fees	6.00	
001 000 147	Due to State		284,244.00
001 000 148	Due to Local Government		724,858.00
001 000 149	Due to Governmental Funds		166,877.00
001 000 200	Realty/Personal		37,897.00
001 000 201	Motor Vehicle		321,412.00
001 000 202	Mobile Home		1,070.00
001 000 203	Prior Year Property Tax		2,031.00
001 000 205	Penalties & Int. on Delinq Tax		10,749.00
001 000 211	Local Privilege Licenses		8,462.00
001 000 214	Tax Collector's Comm. & Fees		35,199.00
001 000 349	MAP Fees		2,837.00
001 000 349	MAP Fees		5,805.00
<b>Total</b>		<b>1,601,441.00</b>	<b>1,601,441.00</b>

<b>Adjusting Journal Entries JE # 49</b>		<b>4600.03c</b>	
To record the current year accruals related to the Bridge Construction Projects.			
161 302 555	Engineering Fees	12,180.00	
161 303 555	Engineering Fees	1,575.00	
161 000 100	Claims Payable		13,755.00
<b>Total</b>		<b>13,755.00</b>	<b>13,755.00</b>

<b>Adjusting Journal Entries JE # 50</b>		<b>4600.03f</b>	
To record the current year accrual related to the Monroe Road Community Center.			
001 151 584	Other Contractual Labor	16,562.00	
001 156 584	Other Contractual Labor	8,000.00	
001 000 100	Claims Payable		24,562.00
<b>Total</b>		<b>24,562.00</b>	<b>24,562.00</b>

**Adjusting Journal Entries JE # 51** **4100.15**

To record Circuit Clerk's cash balance at 9/30/2022.

001 000 006	Cash in Bank	218,018.00	
001 000 149	Due to Governmental Funds		18,659.00
001 000 160	Other Current Payables - Amts held in Custody		187,661.00
001 000 213	Circuit Clerk Fees		69.00
001 000 229	Other Licenses, Comm, Fees		49.00
001 000 232	Circuit Court Fines		11,580.00
<b>Total</b>		<b>218,018.00</b>	<b>218,018.00</b>

**Adjusting Journal Entries JE # 52**

4100.15

To record related Due form General Fund balances.

104 000 054	Due from Governmental Funds	390.00	
109 000 054	Due from Governmental Funds	312.00	
113 000 054	Due from Governmental Funds	400.00	
114 000 054	Due from Governmental Funds	3,323.00	
115 000 054	Due from governmental funds	1,864.00	
650 000 054	Due from Governmental Funds	1,430.00	
650 000 054	Due from Governmental Funds	715.00	
650 000 054	Due from Governmental Funds	2,976.00	
650 000 054	Due from Governmental Funds	77.00	
650 000 054	Due from Governmental Funds	966.00	
650 000 054	Due from Governmental Funds	5,920.00	
650 000 054	Due from Governmental Funds	286.00	
104 000 220	Law Library Fees		390.00
109 000 236	Other Court Fines		312.00
113 000 236	Other Court Fines		400.00
114 000 236	Other Court Fines		3,323.00
115 000 236	Other Court Fines		1,864.00
650 000 127	Other Felonies		2,976.00
650 000 129	Court Constituents Assessment		77.00
650 000 132	Court Education		286.00
650 000 134	Domestic Violence		966.00
650 000 136	COMP. ELECTRONIC COURT SYSTEM		1,430.00
650 000 140	CIVIL LEGAL ASSISTANCE FUND		715.00
650 000 144	EXPUNGE ASSESSMENT		5,920.00
650 000 054	Due from Governmental Funds		
650 000 054	Due from Governmental Funds		
650 000 126	Other Misdemeanors		
650 000 131	JUDICIAL ASSESSMENT		
<b>Total</b>		<b>18,659.00</b>	<b>18,659.00</b>

**Adjusting Journal Entries JE # 53**

4100.15

To record Justice Court's cash balance at 9/30/2022.

001 000 005	Cash in Bank	58,567.00	
001 000 149	Due to Governmental Funds		12,624.00
001 000 160	Other Current Payables - Amts held in Custody		16,685.00
001 000 215	Sheriff's Fees		188.00
001 000 216	Justice Court Clerk's Fees		5,874.00
001 000 216	Justice Court Clerk's Fees		1,728.00
001 000 222	Other Lic Comm & Other Revenues		231.00
001 000 222	Other Lic Comm & Other Revenues		7,155.00
001 000 222	Other Lic Comm & Other Revenues		2,255.00
001 000 230	Justice Court Fines		10,491.00
001 000 236	Other Court Fines		50.00
001 000 236	Other Court Fines		500.00
001 000 236	Other Court Fines		100.00
001 000 236	Other Court Fines		686.00
<b>Total</b>		<b>58,567.00</b>	<b>58,567.00</b>

**Adjusting Journal Entries JE # 54**

4100.15

To record related Due from General Fund.

650 000 054	Due from Governmental Funds	12,626.00	
650 000 117	DRUG EVID VIOLATION		75.00
650 000 122	TRAFFIC VIOLATION ASSESSMENT		6,790.00
650 000 123	Implied Consent Law Violations		781.00
650 000 126	Other Misdemeanors		1,731.00
650 000 128	TRAFFIC TRAUMA		320.00
650 000 128	TRAFFIC TRAUMA		217.00
650 000 129	Court Constituents Assessment		38.00
650 000 129	Court Constituents Assessment		89.00
650 000 132	Court Education		356.00
650 000 135	Dept Public Safty Wreless Comm		70.00
650 000 135	Dept Public Safty Wreless Comm		560.00
650 000 136	COMP. ELECTRONIC COURT SYSTEM		10.00
650 000 136	COMP. ELECTRONIC COURT SYSTEM		26.00
650 000 136	COMP. ELECTRONIC COURT SYSTEM		154.00
650 000 143	VICTIM'S BOND FEE (VBF)		60.00
650 000 146	UNINSURED MOTORIST ASSESSMENT		1,349.00
<b>Total</b>		<b>12,626.00</b>	<b>12,626.00</b>

**Adjusting Journal Entries JE # 55**

4600.031

To record the current year accruals related to the Lynn Cartledge Dam Project.

001 309 532	Rental of Road Equipment	32,859.00	
001 309 555	Engineering Fees	9,524.00	
001 309 632	Asphalt Supplies	1,453.00	
001 000 100	Claims Payable		43,836.00
<b>Total</b>		<u><u>43,836.00</u></u>	<u><u>43,836.00</u></u>

**Adjusting Journal Entries JE # 56** **4100.18**

To reclassify recorded principal payments to cash with fiscal agent for QSCB sinking fund.

297 000 018	Cash with Fiscal Agent	209,999.00	
297 800 800	Principal Retirement - Capital		209,999.00
<b>Total</b>		<u><u>209,999.00</u></u>	<u><u>209,999.00</u></u>

**Adjusting Journal Entries JE # 57** **5100.02**

To record accrued salaries.

001 100 XXX	Administrative Offices	78,270.00	
001 160 XXX	Courts	186,226.00	
001 200 XXX	Public Safety	158,269.00	
001 300 XXX	Public Works	3,875.00	
001 400 XXX	Health	2,676.00	
001 500 XXX	Culture and Recreation	6,554.00	
111 100 xxx	Administrative Offices	872.00	
114 100 xxx	Administrative offices	4,310.00	
116 100 xxx	Administrative Offices	753.00	
131 500 xxx	Culture and Recreation	54.00	
150 300 XXX	Public Works	37,142.00	
160 300 xxx	Public Works	7,001.00	
405 500 xxx	Culture & Recreation	4,194.00	
681 001 054	Due from General Fund	435,870.00	
681 111 054	Due From Pre-Trial Fund	872.00	
681 114 054	Due From Drug Court Fund	4,310.00	
681 116 054	Due from Juvenile Drug Court	753.00	
681 131 054	Due from Farmer's Market	54.00	
681 150 054	Due From County Road and Bridge	37,142.00	
681 160 054	Due From Countywide Road and Bridge	7,001.00	
681 405 045	Due from Multi-Purpose Center	4,194.00	
001 000 150	Due to Payroll Clearing		435,870.00
111 681 149	Due to Payroll Clearing		872.00
114 681 149	Due to Payroll Clearing		4,310.00
116 681 149	Due to Payroll Clearing		753.00
131 681 149	Due to payroll clearing		54.00
150 681 149	Due to payroll clearing fund		37,142.00
160 681 149	Due to Payroll Clearing		7,001.00
405 681 149	Due to Payroll Clearing		4,194.00
681 000 100	Claims Payable		435,870.00
681 000 100	Claims Payable		872.00
681 000 100	Claims Payable		4,310.00
681 000 100	Claims Payable		753.00
681 000 100	Claims Payable		54.00
681 000 100	Claims Payable		37,142.00
681 000 100	Claims Payable		7,001.00
681 000 100	Claims Payable		4,194.00
<b>Total</b>		<u><u>980,392.00</u></u>	<u><u>980,392.00</u></u>

**Adjusting Journal Entries JE # 58** **5100.02**

To record accounts payable accruals.

001 000 xxx	Clearing	2,709.00	
001 100 XXX	Administrative Offices	289,882.00	
001 160 XXX	Courts	89,965.00	
001 200 XXX	Public Safety	336,883.00	
001 300 XXX	Public Works	3,004.00	
001 400 XXX	Health	2,936.00	
001 450 XXX	Welfare	5,414.00	
001 500 XXX	Culture and Recreation	10,835.00	
001 600 XXX	Conservation of Natural Resources	10,067.00	
050 200 xxx	Public Safety	225,000.00	
104 500 xxx	Culture & Recreation	1,228.00	
105 340 xxx	Public Works	154.00	
113 200 XXX	Public Safety	5,129.00	
114 172 XXX	Courts	17,095.00	
116 163 XXX	Juvenile drug court	2,213.00	
118 200 XXX	Public Safety	15,123.00	
123 200 xxx	Public Safety	20,827.00	
150 300 XXX	Public Works	98,470.00	
160 300 xxx	Public Works	20,821.00	
161 300 xxx	Public Works	5,927.00	
302 300 xxx	Public Works	267,655.00	
405 500 xxx	Culture & Recreation	19,646.00	
001 000 100	Claims Payable		751,695.00
050 000 100	Claims Payable		225,000.00
104 000 100	Claims Payable		1,228.00
105 000 100	Claims Payable		154.00
113 000 100	Claims Payable		5,129.00

114 000 100	Claims Payable		17,095.00
116 000 100	Claims Payable		2,213.00
118 000 100	Claims Payable		15,123.00
123 000 100	Claims Payable		20,827.00
150 000 100	Claims Payable		98,470.00
160 000 100	Claims Payable		20,821.00
161 000 100	Claims Payable		5,927.00
302 000 100	Claims Payable		267,655.00
405 000 100	Claims Payable		19,646.00
<b>Total</b>		<b>1,450,983.00</b>	<b>1,450,983.00</b>
<b>Adjusting Journal Entries JE # 62</b>		<b>PF2022-5</b>	
To record financing of lease at fund level.			
001 000 7xx	EXPENDITURE - INTANGIBLE RIGHT OF USE ASSET	736,046.00	
001 000 380	Capital Lease Proceeds		736,046.00
<b>Total</b>		<b>736,046.00</b>	<b>736,046.00</b>
<b>Adjusting Journal Entries JE # 69</b>		<b>TB</b>	
To record the amount of deferred revenue related to the MDOT grant.			
052 000 249	Cap Fed Grants Public Works	500,000.00	
052 000 155	Deferred Revnue - Grants		500,000.00
<b>Total</b>		<b>500,000.00</b>	<b>500,000.00</b>
<b>Adjusting Journal Entries JE # 70</b>		<b>5301.01</b>	
To record debt issuance costs.			
302 800 82x	Debt Issuance Costs	441,250.00	
302 000 380	L Term Capital Debt Issued		441,250.00
<b>Total</b>		<b>441,250.00</b>	<b>441,250.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>80,506,154.00</b>	<b>80,506,154.00</b>
	<b>Total All Journal Entries</b>	<b>80,506,154.00</b>	<b>80,506,154.00</b>



MAYOR  
*Toby Barker*

COUNCIL - WARD ONE  
*Jeffrey George*

COUNCIL - WARD TWO  
*Deborah Denard Delgado*

COUNCIL - WARD THREE  
*Carter Carroll*

COUNCIL - WARD FOUR  
*Dave Ware*

COUNCIL - WARD FIVE  
*Nicholas Brown*

June 28, 2023

TMH  
CPA & Consulting Firm  
Post Office Drawer 15099  
Hattiesburg, Mississippi 39404-5099

Ladies and Gentlemen:

This representation letter is provided in connection with your audit of the City of Hattiesburg, Mississippi which comprise the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information as of September 30, 2022 and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Hattiesburg, Mississippi in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 28, 2023:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 19, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*).
- Our component unit and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues or general revenues.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With respect to nonattest services provided by you, as described in the audit engagement letter dated August 19, 2022, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.
- With respect to Schedules 1 through 7 (required supplementary information) accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.

- We believe the required supplementary information schedules, including their form and content, are measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- With respect to the Schedules 8 through 25 (supplementary information) accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
  - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
  - We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such information.
  - We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

#### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit;
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and determined that there is not a substantial doubt that the entity will be able to meet its obligations as they come due.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City of Hattiesburg, Mississippi has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We are not aware of any guarantees, whether written or oral, under which City of Hattiesburg, Mississippi is contingently liable.
- We have disclosed to you all significant estimates known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance*

*Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* Significant estimates are estimates at the balance sheet date that could change materially within the next year.

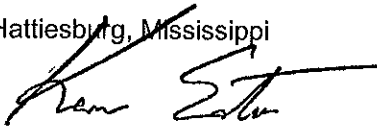
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- The entity has satisfactory title to all owned assets (not right to use assets that are leased), and there are no liens or encumbrances on such capital assets; nor has the entity pledged any capital assets as collateral, except as disclosed to you.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- With respect to federal award programs:
  - We are responsible for understanding and complying with and have complied with the requirements of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards, or we acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
  - If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
  - We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, direct appropriations, and other direct assistance.
  - We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
  - We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.



- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards.
- We are not aware of any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control subsequent to the date as of which compliance was audited.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Sincerely,

City of Hattiesburg, Mississippi



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Kermas Eaton, City Clerk