

**PROPOSAL FOR
AUDITING SERVICES**

to be provided to

PASCAGOULA, MISSISSIPPI

by

**CULUMBER, HARVEY & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS**

December 17, 2021

UNDERSTANDING, APPROACH AND METHODOLOGY

UNDERSTANDING

Our audit will be conducted in accordance with generally accepted auditing standards and will include tests of the accounting records of the City of Pascagoula, Mississippi and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles, as discussed in our engagement letter.

Our performance of the auditing services to be provided includes the exercise of due professional care at every level of the engagement and proper planning and supervision. Planning and supervision will encompass obtaining an understanding of the City of Pascagoula' industry and business, touring the City's facilities, and reviewing the City's financial history.

We will obtain an understanding of the internal control structure of the City of Pascagoula, Mississippi necessary to both properly plan and properly perform the audit. The understanding of the internal control structure will include consideration of the City's control environment, accounting system, and control procedures. After obtaining the necessary understanding of the internal control structure, we will perform test procedures that will include tests of documentary evidence supporting the transactions recorded in the accounts, as explained further under "Approach and Methodology", explained below.

APPROACH AND METHODOLOGY

Our procedures with respect to the proposed audit will include all requirements of applicable audit standards, as outlined in our engagement letter. Upon acceptance of the engagement, we will schedule an entrance conference with key personnel to discuss pertinent items relating to the audit.

The preliminary and interim field work will include our evaluation of the internal control structure in conjunction with analytic review procedures to help identify any control weaknesses or problem areas that will require special attention. Based on the results of analytic review procedures and the evaluation of the internal control structure, sample parameters and sizes will be determined in order to run random and/or judgmental samples to obtain selections for testing the revenue and expense accounts for reasonableness and compliance with applicable laws and regulations. The permanent file will be reviewed and updated, and board minutes will be read, noting items of audit significance.

Our procedures will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements through tests such as inquiries, inspections and reviews, observations, confirmations, vouching and tracing, analytic procedures, recalculations and recomputations, reconciliations, and/or other procedures deemed necessary.

UNDERSTANDING, APPROACH AND METHODOLOGY, (CONTINUED)

Final field work will entail the testing of all balance sheet accounts and completion of any remaining tests of revenue and expense accounts. Financial statements, related note disclosures, required reports, and a management letter, if necessary, will then be prepared. An exit conference will be held to review the financial statements and any management letter comments, and to obtain a plan of corrective action for any such comments. Upon final review, a copy of the financial statements and reports issued will be delivered to the applicable offices.

FIRM PROFILE AND EXPERIENCE

BACKGROUND

Our firm initially came into existence in the late 1950's, and was later organized as the professional association of Culumber, Harvey & Associates, P.A. under the laws of the State of Mississippi for the practice of public accounting. Our firm is an equal opportunity employer and drug-free workplace.

Our professional objective is to provide the finest quality services possible, and to deliver on a timely basis. To further ensure that our clients receive quality professional service, we became a member of the American Institute of Certified Public Accountants (AICPA) Private Companies Practice Section, and submit to peer reviews of our accounting and auditing practices.

PROFILE

Currently, our practice includes services such as financial statement audits, consulting services, pension plans, reviews, and compilations, as well as tax and management advisory services.

The firm is a professional association with two partners, two senior/manager accountants, two staff accountants, and two para-professionals. Our audit practice is structured so that we are able to serve our clients in both a specialized and timely manner.

PEER REVIEW

Clifford, Harvey, & Culumber was the first firm on the Mississippi Gulf Coast to enroll in and receive an unqualified peer review opinion. Culumber, Harvey, & Associates, P.A. received an unqualified opinion dated March 29, 2021 by Watkins, Ward, and Stafford, PLLC. See our most recent peer review report attached at the end of this proposal.

FIRM PROFILE AND EXPERIENCE (Continued)

LOCATION OF THE FIRM

The firm has maintained its office at 2300 20th Street in Gulfport since 1982.

EXPERIENCE/TECHNICAL EXPERTISE

Some of our long-standing and/or recurring audit engagements are as follows:

- * City of Ocean Springs for years ending September 30, 2006 thru 2016
- * City of Biloxi for years ending September 30, 2005 thru 2008; and 2013-2016
- * City of Gulfport for years ending September 30, 2009 thru 2014
- * Mississippi Gulf Coast Community College for years ending June 30, 2001 thru 2014
- * Stone County Utility Authority for years ending September 30, 2001 thru 2014
- * Gulfport School District June 30, 2015 thru 2017
- * Mississippi Coast Coliseum Commission for years ending September 30, 1984 thru 2013
- * Stone County Economic Development Partnership September 30, 2001 thru 2010
- * Harrison County Emergency Communications Commission September 30, 2002 thru 2011

Our current and prior audit engagements and professional background have allowed our firm to attain the necessary experience and qualifications needed to effectively and efficiently perform audits of state, local, and federally regulated programs.

REFERENCES

Mississippi Coast Coliseum:

Contact Person – Matt McDonnell
Phone – (228) 594-3700

Gulfport School District:

Contact Person – Glen East
Phone – (228) 865-4600

City of Biloxi:

Contact Person – Michael Leonard
Phone – (228) 435-6257

RESUMES OF ASSIGNED PERSONNEL

ROBERT L. CULUMBER, CPA (Partner in Charge of This Engagement)

EDUCATION AND CERTIFICATION

Mr. Culumber graduated with a Bachelor of Science in Accounting from the University of Southern Mississippi, where he also completed his Master of Science in Accounting. He received Honorable Mention from the Mississippi Society of Certified Public Accountants for successfully completing all parts of the uniform Certified Public Accountants examination at his first sitting. He is a member of the Mississippi Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA). Mr. Culumber has met the continuing education requirements set forth in *Government Auditing Standards*.

EXPERIENCE

Mr. Culumber worked with Deloitte, Haskins & Sells in New Orleans from January 1979 to November 1983. During his tenure at Deloitte, Haskins & Sells, some of Mr. Culumber's assignments included senior accountant in charge of the New Orleans Public Service, Inc. audit, senior assistant on the Louisiana Power and Light audit and the field audit of Grand Gulf construction project, Middle South Utilities consolidations for SEC filings, the Port of New Orleans, the New Orleans Airport, Gulf Fleet Marine, Quality Shipyards, and on a variety of other GAGAS and Yellow Book audit engagements. He began working for the firm in November 1983 and became a partner in the firm in September 1984. Since that time, Mr. Culumber has been the partner in charge of our audit engagements.

COMMUNITY INVOLVEMENT

Mr. Culumber has served as President of the Gulf Coast Chapter of the Mississippi Society of Certified Public Accountants, as well as on the Board of Governors of the Mississippi Society of Certified Public Accountants. His community involvement also includes membership in the United Methodist Church, Mississippi Gulf Coast Area Chamber of Commerce, Mississippi Gulf Coast Fishing Banks, and past Chairman of the Gulfport Chapter of Ducks Unlimited.

RESUMES OF ASSIGNED PERSONNEL, (CONTINUED)

NHUNG SCARBROUGH, CPA (Audit Manager in Charge of Audit)

Education and Certifications

Ms. Scarbrough graduated with honors from the University of South Alabama with a Bachelor of Science in Business Administration in 2009 after transferring from two years at Mississippi Gulf Coast Community College. Ms. Scarbrough has received her license as a Certified Public Accountant in November 2016. She is a member of the Mississippi Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA). Ms. Scarbrough has met the continuing education requirements set forth in *Government Auditing Standards*.

Experience

Ms. Scarbrough joined our firm in May 2012. Since then, she has worked on many of our state and local governmental audits.

Community Involvement

Ms. Scarbrough is a member of the Church of the King. She and her husband have one young son and reside in Jackson County.

Jordan Gill (Staff Accountant)

Education and Certifications

Ms. Gill graduated with honors from Mississippi State University with a Bachelor of Accountancy in 2020, where she also completed her Master of Professional Accountancy in 2021. Ms. Gill has met the continuing education requirements set forth in *Government Auditing Standards* and currently plans to sit for the next CPA exam.

Experience

Ms. Gill joined our firm in 2020. Since then, she has worked under our senior accountants on an audit and several reviews and compilations, which include county and municipal governmental agencies and non-profit organizations.

Community Involvement

Ms. Gill's community involvement includes membership in the Coast Young Professionals and the Biloxi Bay Area Chamber of Commerce.

Taylor Bolton
(Staff Accountant)

Education and Certifications

Ms. Bolton graduated with honors from Mississippi State University with a Bachelor of Accountancy in 2020 after transferring from two years at Pearl River Community College. She also completed her Master of Professional Accountancy at Mississippi State University in 2021. Ms. Bolton has met the continuing education requirements set forth in *Government Auditing Standards* and currently plans to sit for the next CPA exam.

Experience

Ms. Bolton joined our firm in May 2021. Since then, she has worked under our senior accountants on an audit and several reviews and compilations, which include county and municipal governmental agencies and non-profit organizations.

Community Involvement

Ms. Bolton is a member of Crossroads United Pentecostal Church in George County, Ms.

FIRM CONTINUING EDUCATION POLICY

Our professionals attend all offered governmental auditing continuing professional education development courses deemed necessary by the firm to maintain our high level of quality standards necessary to properly perform governmental audits. Recent courses include subjects such as property, compliance, and governmental auditing and accounting conferences, and it is the firm's intent to have our professionals continue attending such courses in the future.

PERFORMANCE TIME-LINE

We should be able to begin preliminary field work for the 2019 audit in November 2021 and have the audit completed by December 15, 2021. This time-line is based on cooperation of staff members when information is requested.

MAN-HOUR BUDGET

Year	2021	2022	2023
Total Audit Fee	\$ 51,950	\$ 51,750	\$ 51,550

In the event that the time required to complete the examination is less than our estimate, we would, of course, bill a lesser amount.

SERVICES OUTSIDE THE SCOPE OF THE AUDIT

Regular hourly rates by staff level for services outside the scope of the audit are as follows:

\$75 for Professional Staff

\$165 for Senior/Manager Professional Staff

\$185 for Partner Staff

FIRM CONTACT

Robert L. Culumber, CPA

Partner in Charge of Audit Engagements

Culumber, Harvey & Associates, P.A.

2300 20th Street

Gulfport, MS 39501

rlculumber@cfhpa.com

ntscarbrough@cfhpa.com

Phone: (228) 863-6559

Fax: (228) 863-6952