



ALEXANDER | VAN LOON | SLOAN | LEVENS | FAVRE, PLLC
Certified Public Accountants & Business Consultants

January 13, 2025

Gary Knoblock, Council President
City of Bay St. Louis, MS
P.O. Box 2550
Bay St. Louis, MS 39520

Councilman Knoblock,

The engagement letter dated October 6, 2023, was received signed by City management on November 11, 2024. The engagement letter details the conduct of our audit including management and governance responsibilities, auditor responsibilities, expected fees, and the timing of the audit.

According to this engagement letter, we expected to begin our audit when substantially all requested items were received and to issue our reports no later than May 31, 2024. Ahead of beginning audit procedures, we requested prior year audit documentation from the predecessor auditor. This was originally requested from the predecessor auditor on November 2, 2023. The majority of the information requested was not provided. Without this information, the City would be required to provide additional information to substantiate prior year balances and AVL would have to create audit documentation from scratch. We worked with City management to gather the documentation and support from the predecessor auditor and City records; this included a conference call with City management, AVL, and the predecessor auditor on August 9, 2024. Subsequent to the conference call some additional information was received, however, we did not receive sufficient information to substantiate the prior year balances; we will need to perform additional limited procedures to substantiate these balances.

We made our initial request for client documentation to begin the FY23 audit, which includes the trial balance, on August 29, 2024. Many of our requests were not familiar to City management, and we worked together with management to help them understand our requests and how best to provide the needed information. We met with City management on October 30, 2024 to walk through internal controls and discuss request items. At this meeting, we agreed to begin audit fieldwork the week of November 18, 2024 if all requested information, including the trial balance was received by November 8th.

By mid-November, we had received substantially all the initial requested information but had not received a trial balance. Unfortunately, we did not receive the trial balance until November 27, 2024. This was after the requested deadline that would have enabled us to fit the City into our

schedule for that time period. We have several regularly scheduled audits in December and January that did not allow us the capacity to commit time to beginning the City's audit.

As we wrap up our current engagements, we are preparing to begin the City's audit in early February with the intention of devoting a full week to fieldwork at City offices and a plan to issue the reports by the end of April, barring any unforeseen issues. Typically, we would expect to complete a city audit in three months from start to finish. We will be reaching out to City management to schedule a time for fieldwork.

Please reach out with any additional questions.

Thank you,

Kim Marmelish CPA

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Gulfport, Mississippi