

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF TUTWILER, MISSISSIPPI – ALL FUNDS**  
**FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2023**  
(With independent auditor's report thereon.)

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## **Independent Auditor's Report**

Honorable Mayor and Members of the Board of Alderman  
Town of Tutwiler  
Tutwiler, Mississippi

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying statement of cash receipts, disbursements and changes in cash basis fund balances – all funds of the governmental activities and the business-type activities of the Town of Tutwiler, Mississippi, as of and for the year ended September 30, 2023, and the related notes to the financial statement which collectively comprise the Town of Tutwiler, Mississippi's basic financial statement as listed in the table of contents.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the respective cash basis financial position of the governmental activities and the business-type activities of the Town of Tutwiler, Mississippi as of September 30, 2023, thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Town of Tutwiler, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter — Basis of Accounting***

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statement***

The Town of Tutwiler, Mississippi's management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements 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 statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 Town of Tutwiler, Mississippi's internal control. Accordingly, no such opinion is expressed.
- 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Tutwiler, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that cash basis of accounting (which requires the inclusion of applicable disclosures and information required under accounting principles generally accepted in the United States of America) requires to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statement in appropriate operational and economic context. Our opinion on the basic financial statement is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 8 be presented to supplement the basic financial statement. Such information is the responsibility of management and, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tutwiler, Mississippi's basic financial statement. The schedule of long-term debt, schedule of capital assets, and schedule of surety bonds on pages 9 through 11 are presented for purposes of additional analysis and are not a required part of the basic financial statement. Although not a part of the basic financial statement, the schedules referred to above are required to be presented as supplementary information in order to comply with the State of Mississippi Co Section 21-35-51.

The schedules listed in the supplementary information section are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the Town of Tutwiler, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tutwiler, Mississippi's internal control over financial reporting and compliance.

EGP, PLLC

June 28, 2024

Certified Public Accountants & Consultants  
Bryant, Arkansas

**Town of Tutwiler, Mississippi**  
**Combined Statement of Cash Receipts, Disbursements**  
**and Changes in Fund Balances Cash Basis - All Funds**  
**For the Year Ended September 30, 2023**  
(See independent auditor's report.)

	<b>Governmental Fund</b>	<b>Proprietary Fund</b>	<b>Total (Memorandum Only)</b>
	<b>General Fund</b>	<b>Water and Sewer Enterprise Fund</b>	
<b>Receipts</b>			
Property taxes	\$ 981,431	-	981,431
Licenses, commissions and other receipts	25,158	-	25,158
Fines and forfeitures	11,293	-	11,293
Intergovernmental receipts	572,399	-	572,399
Charges for services	66,020	760,924	826,944
Loan proceeds	681,630	-	681,630
Miscellaneous receipts	142,737	91,655	234,392
<b>Total Receipts</b>	<u>2,480,668</u>	<u>852,579</u>	<u>3,333,247</u>
<b>Disbursements</b>			
General government	631,142	-	631,142
Public safety	412,658	-	412,658
Public works	270,612	-	270,612
Water and sewer	-	606,631	606,631
Capital improvements	594,359	540,388	1,134,747
<b>Total Disbursements</b>	<u>1,908,771</u>	<u>1,147,019</u>	<u>3,055,790</u>
<b>Excess of Receipts Over (Under)</b>			
<b>Disbursements</b>	<u>571,897</u>	<u>(294,440)</u>	<u>277,457</u>
<b>Other Cash Sources (Uses)</b>			
Transfers in	-	975,310	975,310
Transfers out	(975,310)	-	(975,310)
<b>Total Other Cash Sources and Uses</b>	<u>(975,310)</u>	<u>975,310</u>	<u>-</u>
<b>Net Changes in Cash</b>	(403,413)	680,870	277,457
<b>Net Cash Balance, Beginning of Year</b>	4,057,566	2,557,301	6,614,867
<b>Net Cash Balance, End of Year</b>	<u>\$ 3,654,153</u>	<u>3,238,171</u>	<u>6,892,324</u>

The accompanying notes are an integral part of this financial statement.

**Town of Tutwiler, Mississippi**  
**Notes to the Financial Statement**  
**September 30, 2023**

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**1. Summary of Significant Accounting Policies**

Financial Reporting Entity

The Town of Tutwiler, Mississippi in Tallahatchie County (the “Town”) was incorporated in 1905 as a political subdivision of the State of Mississippi. The Town is governed by its Charter and local laws and the Mississippi Code of 1972. The City operates under the Mayor-Board of Alderman Form of Government, which consists of an elected Mayor and five elected Alderman. This legislative body provides services as authorized by law, including but not limited to, general government support, public safety, parks and recreation, sewer, water, lighting and road maintenance. The City’s population according to the 2020 census was 2,476.

Financial Statement Presentation

In evaluating how to define the Town of Tutwiler for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 of Governmental Accounting Standards Board’s (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards* include whether:

- the organization is legally separate;
- the Town holds corporate powers of the organization;
- the Town appoints a voting majority of the organization’s board;
- the Town is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the Town; and
- there is a fiscal dependency by the organization on the Town.

Based on the application of these criteria, there are no outside organizations that should be included as component units of the Town’s reporting entity.

Measurement Focus and Basis of Accounting

The Town of Tutwiler has elected to prepare its financial statements using the cash basis of accounting which is a statutory basis allowed by the Mississippi Office of the State Auditor. Accordingly, the accompanying financial statements are not intended to present financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. These funds include a general fund for the governmental fund which is the government’s primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Proprietary fund types include the water and sewer fund. This fund is established to account for revenues derived from charges for water and sewer consumption and usage and the application of such revenues toward related operating expenses.

Property Tax Receipts

The Board of Alderman, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property are due on or before February 1 of the next succeeding year.



**Town of Tutwiler, Mississippi**  
**Notes to the Financial Statement**  
**September 30, 2023**

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Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected. The millage rate for the fiscal year ended September 30, 2023, was 45 mils.

**Cash and Cash Equivalents**

At September 30, 2023, the carrying amount of the Town's deposit with financial institutions was \$6,892,324 and the bank balance was \$6,981,525. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through the collateral pool administered by the State Treasurer. Financial institutions holding deposits of the public funds must pledge securities as collateral against those deposits. In the event of the failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation. As of September 30, 2023, none of the City's bank balance was exposed to custodial credit risk.

**Defined Benefit Pension Plan**

The Town of Tutwiler, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

At September 30, 2023, PERS members are required to contribute 9% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The rate at September 30, 2023 was 17% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ending September 30, 2023, 2022, and 2021 were \$106,832, \$113,085, and \$106,135 respectively, which is equal to the required contributions for each year.

**Budgets and Budgetary Accounting**

Budgeted revenues and expenses are also prepared using the cash basis of accounting used by the general and proprietary funds. The governing body may alter or revise the budget and unpledged funds for another purpose. However, funds resulting from taxes levied under statutes or ordinance for specific purposes may not be diverted to another purpose and appropriated funds may not be diverted to another purpose wherein any creditor of the Town would be prejudiced thereby.

**2. Long-term Debt**

In October 2022, the Town entered into a revolving loan agreement with the State of Mississippi Commission on Environmental Quality through the Department of Environmental Quality to fund the construction of a new peak flow Preliminary Treatment Unit and related equipment. The loan was in the amount of \$2,849,050 with an interest rate of 0.8% with payments of \$3,874 beginning August 2023.

**Town of Tutwiler, Mississippi**  
**Notes to the Financial Statement**  
**September 30, 2023**

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As of September 30, 2023, \$804,469 had been drawn by the Town to cover costs associated with professional services related to design and land acquisition.

**3. Risk Management**

The Town of Tutwiler has entered into a joint and severable relationship with other public entities in the Mississippi Municipal Worker's Compensation Group and the Mississippi Municipal Liability Group. Each member shares responsibility for premium contribution based on payroll and their own loss experience as well as assessments needed for fund deficits. They also share the benefit of fund surplus in the form of dividends when applicable.

**4. Litigation**

The Town is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Town with respect to the various proceedings. However, the Town's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material effect on the financial condition of the Town.

**5. Contingencies**

The Town has received state financial assistance in the form of a grant that is subject to review and audit by the grantor agency. An audit could result in requests for reimbursement by the grantor agency for expenditures disallowed under the terms and conditions specified in the grant agreement. In the opinion of Town management such disallowed costs, if any, will not be significant.

**6. Subsequent Events**

Subsequent events have been evaluated through June 28, 2024, which is the date the financial statement was available to be issued. Events occurring after that date will be evaluated to determine whether a change in the financial statement would be required.

**Town of Tutwiler, Mississippi**  
**Budgetary Comparison Schedule**  
**For the Year Ended September 30, 2023**  
(See independent auditor's report.)

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Amended and Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Favorable (Unfavorable) Variance</b>
<b>Receipts</b>				
Property taxes	\$ 1,141,600	1,141,600	981,431	(160,169) (1)
Licenses, commissions and other receipts	1,000	1,000	25,158	24,158
Fines and forfeitures	35,000	35,000	11,293	(23,707)
Intergovernmental receipts	1,147,748	1,147,748	572,399	(575,349) (2)
Charges for services	65,000	65,000	66,020	1,020
Loan proceeds	-	-	681,630	681,630 (2)
Miscellaneous receipts	5,500	5,500	142,737	137,237
<b>Total Receipts</b>	<u>2,395,848</u>	<u>2,395,848</u>	<u>2,480,668</u>	<u>84,820</u>
<b>Disbursements</b>				
General government	445,261	445,261	579,114	(133,853)
Public safety	675,373	675,373	412,658	262,715
Public works	224,630	224,630	270,612	(45,982)
Sanitation	58,309	58,309	52,028	6,281
Water and sewer	-	-	-	-
Capital improvements	1,158,343	1,158,343	594,359	563,984 (2)
<b>Total Disbursements</b>	<u>2,561,916</u>	<u>2,561,916</u>	<u>1,908,771</u>	<u>653,145</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	<u>(166,068)</u>	<u>(166,068)</u>	<u>571,897</u>	<u>737,965</u>
<b>Other Cash Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(975,310)	(975,310)
<b>Total Other Cash Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>(975,310)</u>	<u>(975,310)</u>
<b>Net Changes in Fund Balance</b>	(166,068)	(166,068)	(403,413)	(237,345)
<b>Net Cash Balance, Beginning of Year</b>	<u>4,057,566</u>	<u>4,057,566</u>	<u>4,057,566</u>	<u>-</u>
<b>Net Cash Balance, End of Year</b>	<u>\$ 3,891,498</u>	<u>3,891,498</u>	<u>3,654,153</u>	<u>(237,345)</u>

The favorable and unfavorable variances from budgeted resulted from the following:

- (1) Budgeted property tax receipts exceeded actual due to significantly less penalties being assessed.
- (2) Receipts and disbursements lower than budget due to planned capital project being delayed.

Proprietary Fund			
Original and Final Budget	Amended and Final Budget	Actual (Budgetary Basis)	Favorable (Unfavorable) Variance
-	-	-	-
-	-	-	-
-	-	-	-
1,777,223	1,777,223	-	(1,777,223) (2)
776,500	776,500	760,924	(15,576)
2,649,850	2,649,850	-	(2,649,850) (2)
12,000	12,000	91,655	79,655
<u>5,215,573</u>	<u>5,215,573</u>	<u>852,579</u>	<u>(4,362,994)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
577,235	577,235	606,631	(29,396)
3,688,632	3,688,632	540,388	3,148,244 (2)
<u>4,265,867</u>	<u>4,265,867</u>	<u>1,147,019</u>	<u>3,118,848</u>
-	-	-	-
<u>949,706</u>	<u>949,706</u>	<u>(294,440)</u>	<u>(1,244,146)</u>
-	-	975,310	975,310
-	-	-	-
<u>-</u>	<u>-</u>	<u>975,310</u>	<u>975,310</u>
949,706	949,706	680,870	(268,836)
<u>2,557,301</u>	<u>2,557,301</u>	<u>2,557,301</u>	<u>-</u>
<u>3,507,007</u>	<u>3,507,007</u>	<u>3,238,171</u>	<u>(268,836)</u>

**Town of Tutwiler, Mississippi**  
**Schedule of Long-Term Debt**  
**For the Year Ended September 30, 2023**  
(See independent auditor's report.)

	<u>Balance Outstanding</u> <u>October 01, 2022</u>	<u>Transactions During Fiscal Year</u> <u>Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding</u> <u>September 30, 2023</u>
Water Pollution Control Revolving Loan Fund Loan	\$ -	2,849,050	-	2,849,050

**Town of Tutwiler, Mississippi**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2023**  
(See independent auditor's report.)

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Land and land improvements	\$ 80,000	-	-	80,000
Construction in Progress	-	594,359	-	594,359
Building and building improvements	545,399	-	-	545,399
Furniture and equipment	545,577	-	12,219	533,358
Vehicles & other mobile equipment	632,784	-	-	632,784
Infrastructure	1,054,852	-	-	1,054,852
Governmental fund capital assets	<u>2,858,612</u>	<u>594,359</u>	<u>12,219</u>	<u>3,440,752</u>
<b>Business-Type Activities</b>				
Construction in Progress	\$ 199,200	540,388	-	739,588
Building and building improvements	866,542	-	-	866,542
Vehicles	208,167	-	-	208,167
Furniture and equipment	256,877	-	-	256,877
Infrastructure	5,952,600	-	-	5,952,600
Total capital assets	<u>7,483,386</u>	<u>540,388</u>	<u>-</u>	<u>8,023,774</u>
Less accumulated depreciation	<u>(863,542)</u>	<u>-</u>	<u>-</u>	<u>(863,542)</u>
Enterprise fund capital assets, net	<u>6,619,844</u>	<u>540,388</u>	<u>-</u>	<u>7,160,232</u>
 Total capital assets, net	 <u>\$ 9,478,456</u>	 <u>1,134,747</u>	 <u>12,219</u>	 <u>10,600,984</u>

**Town of Tutwiler, Mississippi**  
**Schedule of Surety Bonds for Municipal Officials**  
**For the Year Ended September 30, 2023**  
(See independent auditor's report.)

<u>Name</u>	<u>Position</u>	<u>Surety Company</u>	<u>Expiration Date</u>	<u>Bond Amount</u>
Nichole Harris	Mayor	Clyde C. Scott Insurance	7/1/2025	\$ 25,000
Alma Harris	City Clerk	Clyde C. Scott Insurance	10/10/2023	50,000
LaShanda Harris	Deputy City Clerk	Clyde C. Scott Insurance	10/10/2023	50,000
LaShanda Harris	Court Clerk	Clyde C. Scott Insurance	10/10/2023	50,000
Carlos Thompson	Police Chief	Clyde C. Scott Insurance	10/10/2023	50,000
All Police Officers	Police Officers	Clyde C. Scott Insurance	10/10/2023	25,000
Queen Jones	Alderman	Clyde C. Scott Insurance	7/1/2025	25,000
James Farmer	Alderman	Clyde C. Scott Insurance	7/1/2025	25,000
Dianne Pimpton	Alderman	Clyde C. Scott Insurance	7/1/2025	25,000
Donnie Cox-Powell	Alderman	Clyde C. Scott Insurance	7/1/2025	25,000
Linda Gaither Johnson	Alderman	Clyde C. Scott Insurance	7/1/2025	25,000



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and Members of the Board of Alderman  
Town of Tutwiler  
Tutwiler, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Town of Tutwiler, Mississippi, general and proprietary funds, for the year ended September 30, 2023, and the related notes to the financial statement, which collectively comprise the Town of Tutwiler, Mississippi's basic financial statement, and have issued our report thereon dated June 28, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the Town of Tutwiler, Mississippi's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tutwiler, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Tutwiler, Mississippi's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town of Tutwiler, Mississippi's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The



results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 28, 2024

Certified Public Accountants & Consultants  
Bryant, Arkansas



**Independent Auditor's Report on Compliance With State Laws and Regulations**

Honorable Mayor and Members of the Board of Alderman  
Town of Tutwiler  
Tutwiler, Mississippi

We have audited the basic financial statement of the Town of Tutwiler, Mississippi as of and for the year ended September 30, 2023 and have issued our report dated June 28, 2024. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the primary government financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management, City Council and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*EGP, PLLC*

June 28, 2024

Certified Public Accountants & Consultants  
Bryant, Arkansas

**Town of Tutwiler**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2023**

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**Summary of Auditor's Results**

The auditor's report expresses an unmodified opinion on the financial statement of the Town of Tutwiler (the "Town").

No significant deficiencies in internal control were noted. No material weaknesses were reported.

No instances of noncompliance material to the financial statement of the Town were noted.

**Findings and Questioned Costs**

No findings in current year.

No findings in prior year.



June 28, 2024

Honorable Mayor and Members of the Board of Alderman  
Town of Tutwiler  
Tutwiler, Mississippi

We have audited the financial statements of the Town of Tutwiler, Mississippi as of and for the year ended September 30, 2023, and have issued our report thereon dated June 28, 2024. 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 February 2, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) 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 Town of Tutwiler, 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.

**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.

Firm personnel outside of the engagement team reviewed the prepared financial statement. Furthermore, a draft of the financial statement was provided to management for review and approval.

### **Significant Risks Identified**

Due to management being primarily responsible for the design, implementation and maintenance of internal control, there is a presumed audit risk related to management override of internal control in all audits for all organizations. As such, we consider this a significant risk in the audits that we execute because it may allow individuals to circumvent the control environment to conceal fraud. We are attentive to this risk as we execute audit procedures.

### **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 Town of Tutwiler, Mississippi is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. 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.

#### *Financial Statement Disclosures*

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

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

### **Identified or Suspected Fraud**

We did not identify or obtain information that indicates any fraud may have occurred.

### **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. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those

uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

#### **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 Town of Tutwiler, Mississippi's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated June 28, 2024.

#### **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.

#### **Other Matters**

We applied certain limited procedures to the budgetary comparison schedule, which is a required supplementary information ("RSI") that supplements the basic financial statement. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The schedule listed in the supplementary information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with the cash basis of accounting which is a statutory basis allowed by the Mississippi Office of the State Auditor.

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

In the normal course of our professional association with Town of Tutwiler, 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 Town of Tutwiler, Mississippi's auditors.

This report is intended solely for the information and use of the Honorable Mayor, Members of the Board of Alderman, and management of the Town of Tutwiler, Mississippi and is not intended to be and should not be used by anyone other than these specified parties.

EGP, PLLC

Certified Public Accountants & Consultants  
Bryant, Arkansas