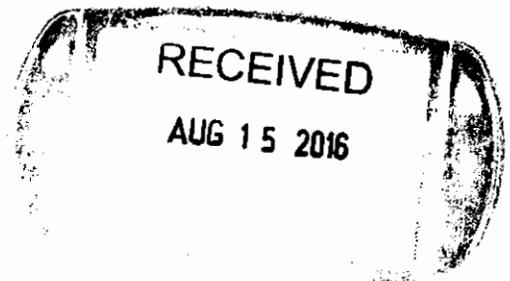




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**CITY OF WIGGINS
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2014

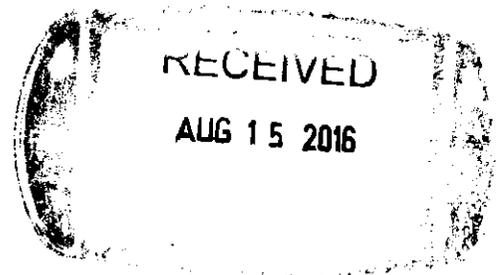


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CITY OF WIGGINS

FINANCIAL SECTION



Windham and Lacey, PLLC

Certified Public Accountants

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Pearl, MS 39208
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Members:
American Institute of CPAs
Mississippi Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements on the basis of cash receipts and disbursements; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins as of September 30, 2014, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in 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 statements, and other knowledge we obtained during our audit of the basic financial statements. 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.

Omission of Required Supplementary Information

The City of Wiggins, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, 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 statements in appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Required Supplementary Information

The Schedule of Changes in Long-term Debt, Schedule of Surety Bonds, and Schedule of Capital Assets for the City of Wiggins have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Supplemental Information

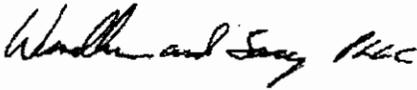
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Wiggins, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Requirements Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2015, on our consideration of the City of Wiggins, 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 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 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 City of Wiggins's internal control over financial reporting and compliance.

Emphasis of Matter

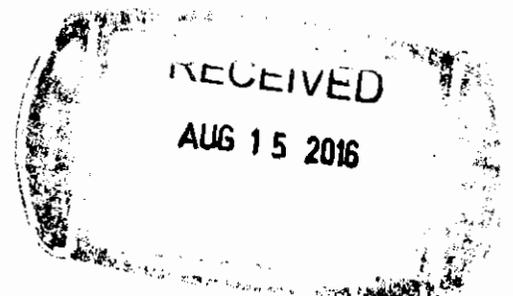
As discussed in Note 1, the City of Wiggins prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



Windham and Lacey, PLLC
August 17, 2015

CITY OF WIGGINS

FINANCIAL STATEMENTS



CITY OF WIGGINS
Statement of Activities and Net Position - Cash Basis
As of and For the Year Ended September 30, 2014

Functions/Programs	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position			
	Cash Disbursements	Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 632,790	27,734	34,124	209,160	(395,896)		(395,896)
Public safety	2,356,925	209,675			(2,113,126)		(2,113,126)
Public works	3,033,243	250,903	7,247	1,905,109	(877,231)		(877,231)
Culture and recreation	241,085	946			(232,892)		(232,892)
Principal paid on debt	440,983				(440,983)		(440,983)
Interest paid on debt	8,355				(8,355)		(8,355)
Total Governmental Activities	6,713,381	489,258	41,371	2,114,269	(4,068,483)	0	(4,068,483)
Business-type Activities:							
Water/Sewer	2,597,198	1,026,036		178,858		(1,392,304)	(1,392,304)
Principal paid on debt	612,415				(612,415)		(612,415)
Interest paid on debt	2,780				(2,780)		(2,780)
Total Business-type Activities	3,212,393	1,026,036	0	178,858	0	(2,007,499)	(2,007,499)
Total Government	\$ 9,925,774	1,515,294	41,371	2,293,127	(4,068,483)	(2,007,499)	(6,075,982)
General Receipts							
Taxes:							
Property taxes					\$ 791,128		791,128
Road & bridge privilege taxes					65,254		65,254
Sales tax					1,709,344		1,709,344
Franchise taxes					480,651		480,651
Grants and contributions not restricted to specific programs					22,304		22,304
Unrestricted investment income					4,940	96	5,036
Miscellaneous					72,363	500	72,863
Interfund transactions					(50,364)	50,364	
Debt proceeds					1,087,834	2,196,826	3,284,660
Transfers					(38,000)	38,000	
Total General Receipts					4,145,454	2,285,786	6,431,240
Change in Net Position					76,971	278,287	355,258
Net Position - Beginning					376,484	207,019	583,503
Net Position - Ending					\$ 453,455	485,306	938,761

CITY OF WIGGINS
Statement of Activities and Net Position - Cash Basis
As of and For the Year Ended September 30, 2014

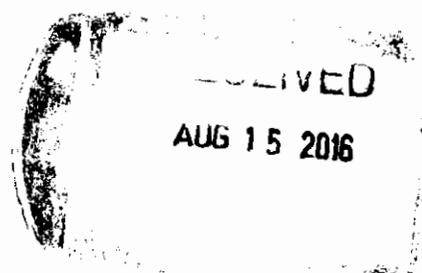
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ASSETS	
Cash and cash equivalents	\$ (332,193)
Restricted cash	<u>1,270,954</u>
Total Assets	\$ <u>938,761</u>
NET POSITION	
Restricted:	
Restricted for unemployment compensation	\$ 4,198
Restricted for court bonds	12,770
Restricted for court assessments	66,589
Restricted for capital projects	1,009,102
Restricted for debt service	89,690
Restricted for meter deposits	88,605
Unrestricted	<u>(332,193)</u>
Total Net Position	\$ <u>938,761</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WIGGINS
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and For the Year Ended September 30, 2014

	Governmental Activities				Business-type Activities					
	Major Funds	CDBG -			Water/Sewer			Drinking	Total	
	General Fund	Airport Improvements	Katrina Supplemental	Court Assessment	Debt Service	Non-Major Funds	Total	Water/Sewer Funds	Water SRF Fund	
RECEIPTS										
Ad valorem taxes	\$ 718,321				72,807		791,128			
Road and bridge tax	65,254						65,254			
License and permits	27,734						27,734			
Franchise taxes on utilities	480,651						480,651			
Intergovernmental revenues:										
Federal revenues:										
Grants		1,745,305	209,160				1,954,465		26,000	26,000
State shared revenues:										
Sales taxes	1,709,344						1,709,344			
Grants	41,520	138,725					180,245	147,858	5,000	152,858
General municipal aid	4,237						4,237			
Local shared revenues:										
Stone County EDP	10,569	16,965					27,534			
County grants										
Charges for services:										
Garbage	250,903						250,903			
Water and sewer utility								1,026,036		1,026,036
Fines and forfeits	186,021			12,680		10,974	209,675			
Interest income	4,934					6	4,940			96
Contributions from outside sources						15,370	15,370			
Miscellaneous revenue	67,992					1,411	69,403	500		500
Total Receipts	3,567,480	1,900,995	209,160	12,680	72,807	27,761	5,790,883	1,174,444	5,000	1,205,490



(Continued)

CITY OF WIGGINS
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and For the Year Ended September 30, 2014

	Governmental Activities				Business-type Activities						
	Major Funds	Airport Improvements	CDBG - Katrina Supplemental	Court Assessment	Debt Service	Non-Major Funds	Total	Water/Sewer Fund	Sewer Rehab Fund	Drinking Water SRF Fund	Total
DISBURSEMENTS											
General government	490,015						490,015				490,015
Public safety	2,315,906					10,870	2,326,776				2,326,776
Public works	1,050,877	1,858,805				4,303	2,913,985				2,913,985
Culture and recreation	113,476					109,015	222,491				222,491
Water and sewer utility:											
Personal services								180,696			180,696
Supplies								194,760			194,760
Utilities								142,035			142,035
Other services and charges								495,161			495,161
Total Disbursements	<u>3,970,274</u>	<u>1,858,805</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,188</u>	<u>5,953,267</u>	<u>1,012,652</u>	<u>0</u>	<u>0</u>	<u>1,012,652</u>
Excess of Receipts over (under) Disbursements	<u>(402,794)</u>	<u>42,190</u>	<u>209,160</u>	<u>12,680</u>	<u>72,807</u>	<u>(96,427)</u>	<u>(162,384)</u>	<u>161,792</u>	<u>26,046</u>	<u>5,000</u>	<u>192,838</u>
OTHER CASH SOURCES (USES)											
Issuance of debt	350,952						1,087,834			2,196,826	2,196,826
Capital outlay	(199,728)	657,547	79,335				(310,780)	(60,226)	(143,380)	(1,360,940)	(1,564,546)
Principal paid on loan and lease purchase	(40,199)	(345,373)		(1,139)	(54,269)		(440,980)	(30,786)		(601,629)	(632,415)
Interest paid on loan and lease purchase	(1,784)			(91)	(6,480)		(8,355)	(2,632)		(148)	(2,780)
Interfund transactions	(50,364)						(50,364)		50,364		50,364
Transfers in (out) to other funds	(65,068)		27,068				(38,000)		38,000		38,000
Total Other Cash Sources and (Uses)	<u>(6,191)</u>	<u>312,174</u>	<u>(4,649)</u>	<u>(1,230)</u>	<u>(60,749)</u>	<u>0</u>	<u>239,355</u>	<u>(93,644)</u>	<u>(55,016)</u>	<u>234,109</u>	<u>85,449</u>
Excess (Deficiency) of Receipts and Other Cash Sources over Disbursements and Other Cash Uses	<u>(408,985)</u>	<u>354,364</u>	<u>204,511</u>	<u>11,450</u>	<u>12,058</u>	<u>(96,427)</u>	<u>76,971</u>	<u>68,148</u>	<u>(28,970)</u>	<u>239,109</u>	<u>278,287</u>

(Continued)

CITY OF WIGGINS
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and For the Year Ended September 30, 2014

	Governmental Activities				Business-type Activities						
	Major Funds				Total	Water/Sewer Fund	Sewer Rehab Fund	Drinking Water SRF Fund	Total		
	General Fund	Airport Improvements	CDBG - Katrina Supplemental	Court Assessment	Debt Service	Non-Major Funds	Total	Water/Sewer Fund	Sewer Rehab Fund	Drinking Water SRF Fund	Total
CASH BASIS FUND											
BALANCE - Beginning of Year	15,292	214,719	5,500	55,139	65,632	20,202	376,484	211,009	5,110	(9,100)	207,019
CASH BASIS FUND											
BALANCE - End of Year	<u>\$ (393,693)</u>	<u>569,083</u>	<u>210,011</u>	<u>66,589</u>	<u>77,690</u>	<u>(76,225)</u>	<u>453,455</u>	<u>279,157</u>	<u>(23,860)</u>	<u>230,009</u>	<u>485,306</u>
CASH BASIS ASSETS -											
End of Year											
Cash and cash equivalents	\$ (406,463)					(99,982)	(506,445)	178,552	(23,860)		154,692
Restricted cash	12,770	569,083	210,011	66,589	77,690	23,757	959,900	100,605	0	230,009	330,614
Total Cash Basis Assets	<u>\$ (393,693)</u>	<u>569,083</u>	<u>210,011</u>	<u>66,589</u>	<u>77,690</u>	<u>(76,225)</u>	<u>453,455</u>	<u>279,157</u>	<u>(23,860)</u>	<u>230,009</u>	<u>485,306</u>
CASH BASIS FUND											
BALANCES - End of Year											
Committed:											
Public safety	\$					16,670	16,670				
Employee benefits						2,889	2,889				
Restricted:											
Restricted for unemployment compensation						4,198	4,198				
Restricted for court bonds	12,770						12,770				
Restricted for court assessments				66,589			66,589				
Restricted for capital projects		569,083	210,011				779,094	12,000		230,009	230,009
Restricted for debt service					77,690		77,690	88,605			12,000
Restricted for meter deposits								178,552	(23,860)		88,605
Unassigned	<u>(406,463)</u>					<u>(99,982)</u>	<u>(506,445)</u>				<u>154,692</u>
Total Cash Basis Fund Balances	<u>\$ (393,693)</u>	<u>569,083</u>	<u>210,011</u>	<u>66,589</u>	<u>77,690</u>	<u>(76,225)</u>	<u>453,455</u>	<u>279,157</u>	<u>(23,860)</u>	<u>230,009</u>	<u>485,306</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WIGGINS

Notes to Financial Statements
For the Year Ended September 30, 2014

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The City of Wiggins, Mississippi, (City) incorporated in 1904 under the laws of the State of Mississippi and situated in Stone County, operates under a Mayor-Board form of government. The following services are provided by the city: Public Safety (Police, Fire and Protection/Inspection), Street Maintenance, Garbage Collection, Water and Sewer, Culture and Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The financial statements of the City have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The City combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

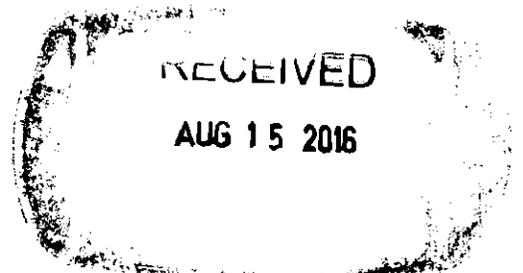
The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected. Disbursements generally are recorded when cash is spent.

The government reports the following major Governmental Funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *airport improvements fund* is a capital projects fund which accounts for grants to be used for capital expenditures and improvements.



CITY OF WIGGINS

Notes to Financial Statements For the Year Ended September 30, 2014

The *CDBG-Katrina Supplemental fund* is a capital projects fund which accounts for grants to be used for capital expenditures and improvements.

The *court assessment fund* accounts for collections of assessments on court fines to be used for police computers and equipment.

The *debt service fund* accounts for ad valorem taxes to be used for debt service on long-term debt.

Amounts reported as *program cash receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Net Position.

1. *Cash and Investments.*

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit.

2. *Net Position.*

Restricted net position - Consists of cash with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net assets not meeting the definition of "restricted".

3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City has no fund balance reported in this category.

Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The City has \$1,270,954 reported as restricted fund balances.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. The City has \$19,559 reported in this category.

Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by management other than the highest decision making authority of the City. The City has no fund balance reported in this category.

CITY OF WIGGINS

Notes to Financial Statements For the Year Ended September 30, 2014

Unassigned - Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

(2) Cash and Cash Equivalents.

At year-end, the City's carrying amount of deposits was \$938,761 and the bank balance was \$850,738. 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 a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of 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.

Custodial Credit Risk - Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. As of September 30, 2014, none of the City's bank balance of \$850,738 was exposed to custodial risk.

Interest Rate Risk: The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

(3) Defined Benefit Pension Plan.

Plan Description: The City of Wiggins 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. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the years ended September 30, 2014, 2013 and 2012 were \$259,087, \$230,231, and \$210,988, respectively, which is equal to the required contributions for each year.

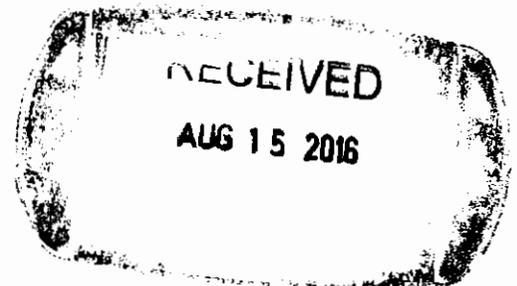
CITY OF WIGGINS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WIGGINS
Budgetary Comparison Schedule -
Budget and Actual
General Fund
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
RECEIPTS				
Ad valorem taxes	\$ 703,845	703,845	718,321	14,476
Road and bridge tax	60,750	60,750	65,254	4,504
License and permits	30,900	30,900	27,734	(3,166)
Franchise tax	480,000	480,000	480,651	651
Intergovernmental revenues	2,082,196	2,082,196	1,765,670	(316,526)
Charges for services	276,240	276,240	250,903	(25,337)
Fines and forfeits	300,000	300,000	186,021	(113,979)
Interest income	6,000	6,000	4,934	(1,066)
Miscellaneous	30,500	30,500	67,992	37,492
Total Receipts	<u>3,970,431</u>	<u>3,970,431</u>	<u>3,567,480</u>	<u>(402,951)</u>
EXPENDITURES				
General government	414,021	414,021	629,826	(215,805)
Public safety	2,309,268	2,309,268	2,348,229	(38,961)
Public works	1,300,595	1,300,595	1,059,877	240,718
Culture and recreation	60,961	60,961	132,070	(71,109)
Debt service:				
Principal	46,263	46,263	40,199	6,064
Interest	1,453	1,453	1,784	(331)
Total Expenditures	<u>4,132,561</u>	<u>4,132,561</u>	<u>4,211,985</u>	<u>(79,424)</u>
Excess of Receipts over (under) Expenditures	<u>(162,130)</u>	<u>(162,130)</u>	<u>(644,505)</u>	<u>(482,375)</u>
OTHER CASH SOURCES (USES)				
Proceeds from debt	104,000	104,000	350,952	246,952
Interfund transactions			(50,364)	(50,364)
Transfers out	(76,870)	(76,870)	(65,068)	11,802
Total Other Cash Sources and Uses	<u>27,130</u>	<u>27,130</u>	<u>235,520</u>	<u>208,390</u>
Net Change in Cash Basis Fund Balance	(135,000)	(135,000)	(408,985)	(273,985)
Cash Basis Fund Balances - Beginning	<u>135,000</u>	<u>135,000</u>	<u>15,292</u>	<u>(119,708)</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>0</u>	<u>(393,693)</u>	<u>(393,693)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.



CITY OF WIGGINS
Budgetary Comparison Schedule -
Budget and Actual
Court Assessment Fund
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
RECEIPTS				
Fines and forfeits	\$ 15,000	15,000	12,680	(2,320)
Total Receipts	<u>15,000</u>	<u>15,000</u>	<u>12,680</u>	<u>(2,320)</u>
EXPENDITURES				
Public safety	15,000	15,000	1,230	13,770
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,230</u>	<u>13,770</u>
Excess of Receipts over (under) Expenditures	<u>0</u>	<u>0</u>	<u>11,450</u>	<u>11,450</u>
Net Change in Cash Basis Fund Balance	0	0	11,450	11,450
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>55,139</u>	<u>55,139</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>0</u>	<u>66,589</u>	<u>66,589</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

CITY OF WIGGINS

Notes to the Required Supplementary Information For the Year Ended September 30, 2014

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the City, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

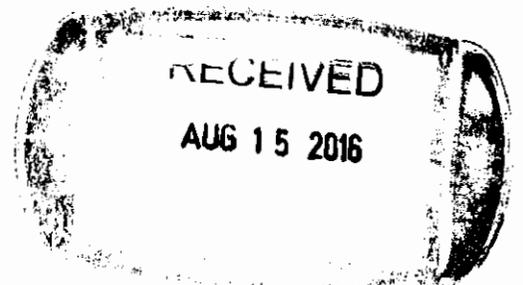
The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

CITY OF WIGGINS

SUPPLEMENTAL INFORMATION



CITY OF WIGGINS
Schedule of Expenditures of Federal Awards
September 30, 2014

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
Major Programs:				
U.S. Department of Transportation/ Federal Aviation Administration/ Airport Improvement Program	20.106	3-28-0078-013-2013	N/A	\$ 1,798,753
U.S. Environmental Protection Agency/Mississippi State Revolving Loan Program	66.468		DWI-L660005-01	<u>638,349</u>
Total Major Programs				<u>2,437,102</u>
Non-Major Programs:				
U.S. Department of Housing and Urban Development/Mississippi Development Authority/ Community Development Block Grant	14.228	CDBG	1129-123-88-PF01	197,832
U.S. Department of Justice/Office of Justice Programs/Mississippi Department of Public Safety Planning/ Edward Byrne Local Law Enforcement Assistance Grant	16.580		10LB3572 11LB3572 12LB3571	3,231 16,298 3,221
U.S. Department of Transportation/Mississippi Department of Transportation/ Utility relocation	20.205	HSIP-0008-01(129)	106235/201000	150,681
U.S. Environmental Protection Agency/ Mississippi Department of Environmental Quality/ Clean Water State Revolving Loan Program	66.458		SRF-C280929-01	<u>12,500</u>
Total Non-Major Programs				<u>383,763</u>
Total Major and Non-Major Programs				\$ <u>2,820,865</u>

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Wiggins and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF WIGGINS

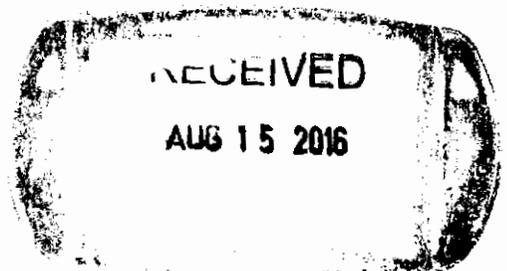
OTHER INFORMATION

CITY OF WIGGINS
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2014

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2013</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2014</u>
<u>Loans and Capital Leases Payable:</u>				
Governmental Activities:				
Negotiable note - airport improvement	\$	657,548	345,373	312,175
Negotiable note - municipal court building	284,000		54,269	229,731
Negotiable note - airport improvement	183,203	316,796	29,647	470,352
Capital Leases Payable:				
Hancock Bank - 2010 Dodge Chargers	4,511		4,511	0
Hancock Bank - 2012 Dodge Chargers	56,724		23,804	32,920
Hancock Bank - Ford F150	16,396		5,059	11,337
Bancorp South - Computer		113,490	9,103	104,387
Total Governmental Activities	<u>544,834</u>	<u>1,087,834</u>	<u>471,766</u>	<u>1,160,902</u>
Business-type Activities:				
Negotiable note - waterline rehab		835,906	601,629	234,277
Drinking Water State Revolving Loan	303,512	1,241,920		1,545,432
Clean Water State Revolving Loan		119,000		119,000
Total Business-type Activities	<u>303,512</u>	<u>2,196,826</u>	<u>601,629</u>	<u>1,898,709</u>
Total Long-term Debt	<u>\$ 848,346</u>	<u>3,284,660</u>	<u>1,073,395</u>	<u>3,059,611</u>

CITY OF WIGGINS
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2014

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Coverage</u>
George Smith	Alderman	MS Municipal Bond Program	\$ 50,000
Darrell Berry	Alderman	MS Municipal Bond Program	50,000
Ron Dyal	Alderman	MS Municipal Bond Program	50,000
Thomas Hall	Alderman	MS Municipal Bond Program	50,000
Mary Francis Carson	Alderman	MS Municipal Bond Program	50,000
Joel Miles	Mayor	MS Municipal Bond Program	50,000
Johnette Cook	City clerk	Travelers	73,000
Johnette Cook	City clerk	Travelers	50,000
Jeanette Jackson	Municipal court clerk	Travelers	50,000
Courtney Gipson	Deputy court clerk	Travelers	50,000
Harry M. Barnett	Police chief	Travelers	50,000
Ronald Thomas	Deputy police chief	Travelers	25,000
Rebekah Garrard	Purchase clerk	Travelers	50,000
Ashley Dudeck	Assistant purchase clerk	Travelers	50,000
Darlene Pendarvis	Water & sewer clerk	Travelers	50,000
Micholyn Gilner	Payroll clerk	Travelers	50,000
Erin Thomas	Senior center director	Travelers	50,000
Stephanie Howard	Senior center clerk	Travelers	50,000

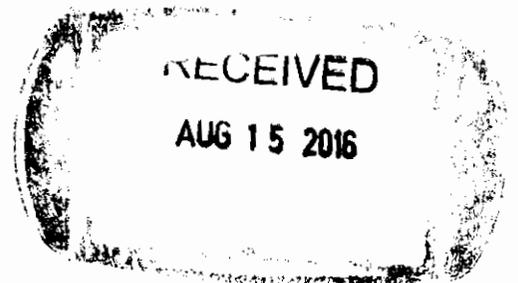


CITY OF WIGGINS
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2014

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets:				
Land	\$ 664,530			664,530
Buildings	1,624,853			1,624,853
Improvements other than buildings	3,331,718	18,594		3,350,312
Machinery and equipment	1,050,465	125,052		1,175,517
Vehicles	1,740,219	56,082	(49,622)	1,746,679
Total Governmental Activities Capital Assets	\$ 8,411,785	199,728	(49,622)	8,561,891
Business-type Activities:				
Capital Assets:				
Land	\$ 5,424			5,424
Construction in progress	374,077	1,615,372		1,989,449
Improvements other than buildings	7,418,511			7,418,511
Machinery and equipment	159,948	25,181		185,129
Vehicles	149,086	35,045		184,131
Total Business-type Activities Capital Assets	\$ 8,107,046	1,675,598	0	9,782,644

CITY OF WIGGINS

SPECIAL REPORTS



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

We have audited, in accordance with the 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 statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Wiggins, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control that we consider to be a material weakness and significant deficiency.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 14-1 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 14-1 to be a significant deficiency.

Compliance and Other Matters

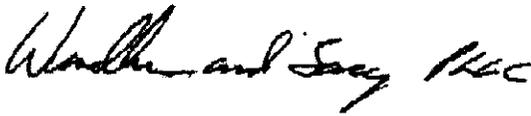
As part of obtaining reasonable assurance about whether the City of Wiggins, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

City's Response to Findings

The City of Wiggins, Mississippi's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City of Wiggins, Mississippi's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
August 17, 2015

Windham and Lacey, PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Wiggins, Mississippi, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014. The City of Wiggins, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

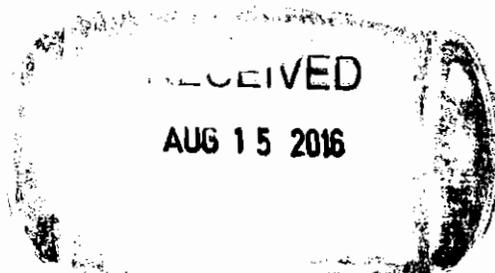
Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wiggins, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Wiggins, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City of Wiggins, Mississippi's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the City of Wiggins, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.



Report on Internal Control Over Compliance

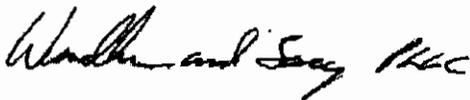
The management of the City of Wiggins, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the City of Wiggins, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the city's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
August 17, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

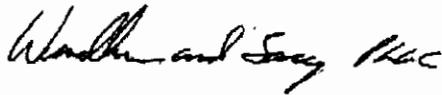
Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated August 17, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the city's compliance with these requirements. 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 solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Windham and Lacey, PLLC
August 17, 2015

CITY OF WIGGINS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



CITY OF WIGGINS

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2014

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on the primary government financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness identified? | Yes |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. | Any audit findings reported as required by Section ____510(a) of Circular A-133? | No |
| 7. | Federal programs identified as major programs: | |
| | U. S. Department of Transportation/Airport Improvement Program, CFDA #20.106 | |
| | U. S. Environmental Protection Agency/State Revolving Loan Program, CFDA #66.468 | |

CITY OF WIGGINS

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2014**

- | | | |
|-----|---|-----------|
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | No |
| 10. | Prior fiscal year audit findings and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section ____ .315(b) of OMB Circular A-133? | No |

Section 2: Financial Statement Findings

Significant Deficiency - Material Weakness

14 - 1. Finding

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. The City of Wiggins did not follow existing internal controls to produce timely, accurate and reliable trial balances and financial statements. We found transactions that had not been posted. Because these transactions were not posted, cash reconciliations could not be completed timely. Since the cash reconciliations could not be completed, the books could not be closed to produce timely, accurate and reliable trial balances and financial statements. Such a deficiency could prevent management and employees from preventing or detecting and correcting misstatements.

Recommendation

The City of Wiggins should follow procedures to produce timely, accurate and reliable trial balances and financial statements.

City's Response

The management of the City of Wiggins is aware of this deficiency and has taken steps to develop internal controls to produce timely, accurate and reliable trial balances and financial statements. These steps include hiring accounting professionals to reconcile bank statements and the improvement of computer systems.