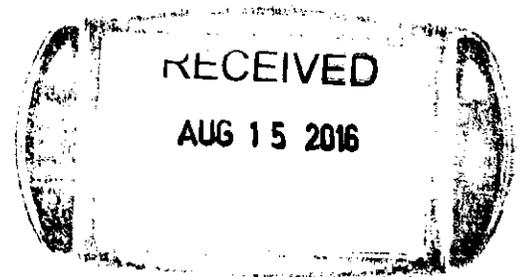




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**CITY OF WIGGINS
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015



CITY OF WIGGINS

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CITY OF WIGGINS

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
Pearl, MS 39208
(601)939-8676

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, 2015, 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

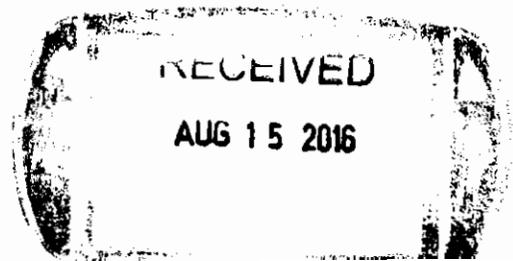
Management is responsible for the preparation and fair presentation of these financial statements on the basis of cash receipts and disbursements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that 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, 2015, 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

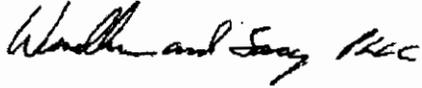
The Schedule of Changes in Long-term Debt, Schedule of Surety Bonds, and Schedule of Capital Assets for the City of Wiggins have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance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

Other Reporting Requirements Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016, 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

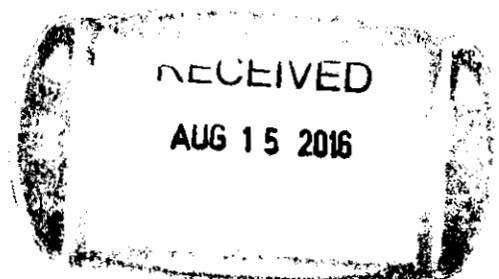
As discussed in Note 1, the City of Wiggins prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
June 7, 2016

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, 2015

	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
Functions/Programs							
Governmental Activities:							
General government	\$ 495,099	27,039			(468,060)		(468,060)
Public safety	2,607,613	216,098	83,146		(2,308,369)		(2,308,369)
Public works	1,203,955	254,610	1,248	113,541	(834,556)		(834,556)
Culture and recreation	381,454	900	42		(380,512)		(380,512)
Principal paid on debt	340,597				(340,597)		(340,597)
Interest paid on debt	12,549				(12,549)		(12,549)
Total Governmental Activities	5,041,267	498,647	84,436	113,541	(4,344,643)	0	(4,344,643)
Business-type Activities:							
Water/Sewer	1,859,708	1,143,251		275,998		(440,459)	(440,459)
Principal paid on debt	565,377				(565,377)		(565,377)
Interest paid on debt	43,005				(43,005)		(43,005)
Total Business-type Activities	2,468,090	1,143,251	0	275,998	0	(1,048,841)	(1,048,841)
Total Government	\$ 7,509,357	1,641,898	84,436	389,539	(4,344,643)	(1,048,841)	(5,393,484)
General Receipts							
Taxes:							
Property taxes					\$ 801,587		801,587
Road & bridge privilege taxes					66,147		66,147
Sales tax					1,823,641		1,823,641
Franchise taxes					496,920		496,920
Grants and contributions not restricted to specific programs					162,351		162,351
Unrestricted investment income					576	17	593
Miscellaneous					131,175	932	132,107
Interfund transactions					(61,639)	61,639	
Debt proceeds					386,552	921,900	1,308,452
Transfers					(48,957)	48,957	
Total General Receipts					3,758,353	1,033,445	4,791,798
Change in net position					(586,290)	(15,396)	(601,686)
Net Position - Beginning					453,455	485,306	938,761
Net Position - Ending					\$ (132,835)	469,910	337,075

**City of Wiggins
Statement of Activities and Net Position - Cash Basis
As of and For the Year Ended September 30, 2015**

(Continued)

ASSETS	
Cash and cash equivalents	\$ (337,655)
Restricted cash	<u>674,730</u>
Total Assets	<u>\$ 337,075</u>
NET POSITION	
Restricted:	
Restricted for unemployment compensation	\$ 4,198
Restricted for court bonds	13,289
Restricted for court assessments	66,937
Restricted for public safety	7,047
Restricted for capital projects	469,693
Restricted for meter deposits	113,566
Unrestricted	<u>(337,655)</u>
Total Net Position	<u>\$ 337,075</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, 2015

	Governmental Activities					Business-type Activities			
	Major Funds					Water/Sewer Fund	Sewer Rehab Fund	Drinking Water SRF Fund	Total
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds				
RECEIPTS									
Ad valorem taxes	\$ 722,276			79,311					801,587
Road and bridge tax	66,147								66,147
License and permits	27,255								27,255
Franchise taxes on utilities	496,920								496,920
Intergovernmental revenues:									
Federal revenues:									
Grants		66,096							66,096
State shared revenues:									
Sales taxes	1,823,641								1,823,641
Grants	129,558	2,395							131,953
General municipal aid	3,391								3,391
Local shared revenues:									
County grants	26,472								26,472
Charges for services:									
Garbage	254,610								254,610
Water and sewer utility						1,143,251			1,143,251
Fines and forfeits	193,085		12,752		10,261				216,098
Interest income	540				36				576
Contributions from outside sources	85,550				56,215				141,765
Miscellaneous revenue	120,196	1,376			938				122,510
Total Receipts	3,949,641	69,867	12,752	79,311	67,450	1,144,200	0	275,998	4,179,021
									1,420,198

(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
For the Year Ended September 30, 2015

	Governmental Activities					Business-type Activities					
	Major Funds	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total	Water/Sewer Fund	Sewer Rehab Fund	Drinking Water SRF Fund	Total
DISBURSEMENTS											
General government	\$	435,688				2,892	438,580				268,689
Public safety		2,267,621		1,930		4,572	2,274,123				140,701
Public works		831,015	168,770			183,240	1,183,025				336,595
Culture and recreation		197,440				97,116	294,556				162,658
Water and sewer utility:											70,830
Personal services								268,689			268,689
Supplies								140,701			140,701
Water treatment								336,595			336,595
Utilities								162,658			162,658
Other services and charges								70,830			70,830
Total Disbursements		3,731,764	168,770	1,930	0	287,820	4,190,284	979,473	0	0	979,473
Excess of Receipts Over (Under) Disbursements		217,877	(98,903)	10,822	79,311	(220,370)	(11,263)	164,727	0	275,998	440,725
OTHER CASH SOURCES (USES)											
Issuance of debt		386,552					386,552				921,900
Capital outlay		(495,202)				(2,635)	(497,837)				(880,235)
Principal paid on loan and lease purchase		(44,110)				(68,553)	(340,597)		(834,925)		(565,377)
Interest paid on loan and lease purchase		(4,454)	(164,806)	(7,617)	(55,511)		(12,549)	(241,353)		(324,024)	(43,005)
Interfund transactions		(61,639)		(2,857)	(5,238)		(61,639)	(31,026)		(11,979)	61,639
Transfers in (out) to other funds		(54,461)				5,504	(48,957)	61,639			48,957
Total Other Cash Sources and (Uses)		(273,314)	(164,806)	(10,474)	(60,749)	(65,684)	(575,027)	(138,293)	(834,925)	517,097	(456,121)
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses		(55,437)	(263,709)	348	18,562	(286,054)	(586,290)	26,434	(834,925)	793,095	(15,396)

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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
For the Year Ended September 30, 2015

	Governmental Activities				Business-type Activities					
	Major Funds General Fund	Airport Improvements	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	(393,693)	569,083	66,589	77,690	133,786	453,455	279,157	(23,860)	230,009	485,306
CASH BASIS FUND BALANCE - End of Year	<u>\$ (449,130)</u>	<u>305,374</u>	<u>66,937</u>	<u>96,252</u>	<u>(152,268)</u>	<u>(132,835)</u>	<u>305,591</u>	<u>(858,785)</u>	<u>1,023,104</u>	<u>469,910</u>
CASH BASIS ASSETS - End of Year										
Cash and cash equivalents	\$ (462,419)			96,252	(163,513)	(529,680)	180,025	(858,785)		(666,760)
Restricted cash	13,289	305,374	66,937		11,245	396,845	125,566		1,023,104	1,136,670
Total Cash Basis Assets	<u>\$ (449,130)</u>	<u>305,374</u>	<u>66,937</u>	<u>96,252</u>	<u>(152,268)</u>	<u>(132,835)</u>	<u>305,591</u>	<u>(858,785)</u>	<u>1,023,104</u>	<u>469,910</u>
CASH BASIS FUND BALANCES - End of Year										
Committed:										
Public safety	\$				18,404	18,404				
Employee benefits					2,612	2,612				
Debt service				96,252		96,252	12,000			12,000
Restricted:										
Restricted for unemployment compensation					4,198	4,198				
Restricted for court bonds	13,289					13,289				
Restricted for court assessments			66,937			66,937				
Restricted for capital projects		305,374				305,374			1,023,104	164,319
Restricted for public safety					7,047	7,047				
Restricted for meter deposits							113,566			113,566
Unassigned	(462,419)				(184,529)	(646,948)	180,025			180,025
Total Cash Basis Fund Balances	<u>\$ (449,130)</u>	<u>305,374</u>	<u>66,937</u>	<u>96,252</u>	<u>(152,268)</u>	<u>(132,835)</u>	<u>305,591</u>	<u>(858,785)</u>	<u>1,023,104</u>	<u>469,910</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, 2015

(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, 2015

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.

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.

Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor 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, 2015

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 \$337,075 and the bank balance was \$443,695. 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, 2015, none of the City's bank balance of \$443,695 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, 2015, 2014 and 2013 were \$270,210, \$259,087, and \$230,231, respectively, which is equal to the required contributions for each year.

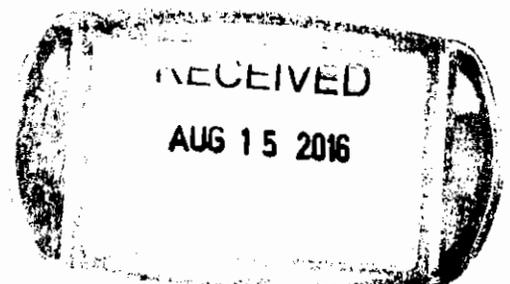
CITY OF WIGGINS

REQUIRED SUPPLEMENTARY INFORMATION

**City of Wiggins
 Budgetary Comparison Schedule -
 Budget and Actual
 General Fund
 For the Year Ended September 30, 2015**

	<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	\$ 708,121	722,276	722,276	
Road and bridge tax	70,000	66,147	66,147	
License and permits	34,400	27,255	27,255	
Franchise tax	480,000	496,920	496,920	
Intergovernmental revenues	2,188,727	1,983,062	1,983,062	
Charges for services	273,240	254,610	254,610	
Fines and forfeits	225,500	193,085	193,085	
Interest income	1,500	540	540	
Miscellaneous	15,000	205,746	205,746	
Total Receipts	<u>3,996,488</u>	<u>3,949,641</u>	<u>3,949,641</u>	<u>0</u>
EXPENDITURES				
General government	348,658	435,688	435,688	
Public safety	2,173,554	2,636,868	2,636,868	
Public works	1,063,191	870,367	870,367	
Culture and recreation	154,841	284,043	284,043	
Debt service:				
Principal	13,849	44,110	44,110	
Interest	936	4,454	4,454	
Total Expenditures	<u>3,755,029</u>	<u>4,275,530</u>	<u>4,275,530</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>241,459</u>	<u>(325,889)</u>	<u>(325,889)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from debt	84,000	386,552	386,552	
Interfund transactions		(61,639)	(61,639)	
Transfers out	(81,930)	(54,461)	(54,461)	
Total Other Cash Sources and Uses	<u>2,070</u>	<u>270,452</u>	<u>270,452</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	243,529	(55,437)	(55,437)	0
Cash Basis Fund Balances - Beginning	<u>(393,693)</u>	<u>(393,693)</u>	<u>(393,693)</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (150,164)</u>	<u>(449,130)</u>	<u>(449,130)</u>	<u>0</u>

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



City of Wiggins
Budgetary Comparison Schedule -
Budget and Actual
Court Assessment Fund
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	Variance with Final Budget Positive (Negative)
RECEIPTS				
Fines and forfeits	\$ 7,000	12,752	12,752	
Total Receipts	<u>7,000</u>	<u>12,752</u>	<u>12,752</u>	<u>0</u>
EXPENDITURES				
Public safety	7,000	12,404	12,404	
Total Expenditures	<u>7,000</u>	<u>12,404</u>	<u>12,404</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>0</u>	<u>348</u>	<u>348</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	0	348	348	0
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>66,589</u>	<u>66,589</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>66,937</u>	<u>66,937</u>	<u>0</u>

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

CITY OF WIGGINS

Notes to the Required Supplementary Information For the Year Ended September 30, 2015

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.

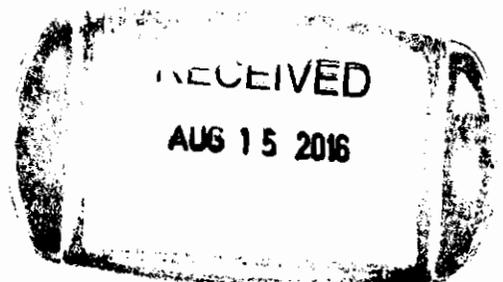
As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

CITY OF WIGGINS

OTHER INFORMATION

CITY OF WIGGINS
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2015

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2015</u>
<u>Loans and Capital Leases Payable:</u>				
Governmental Activities:				
Negotiable note - airport improvement	\$ 312,175	300,000	164,806	447,369
Negotiable note - municipal court building	229,731		55,511	174,220
Negotiable note	470,352		51,260	419,092
Capital Leases Payable:				
Hancock Bank - Ford F550		38,352		38,352
BancorpSouth - 2015 Dodge trucks		48,200	4,837	43,363
Hancock Bank - 2012 Dodge Chargers	32,920		28,538	4,382
Hancock Bank - Ford F150	11,337		5,613	5,724
BancorpSouth - Computer	104,387		30,032	74,355
Total Governmental Activities	<u>1,160,902</u>	<u>386,552</u>	<u>340,597</u>	<u>1,206,857</u>
Business-type Activities:				
Capital Leases Payable:				
Hancock Bank - Ford F250		35,045	7,076	27,969
Negotiable note	234,277		234,277	
Drinking Water State Revolving Loan	1,545,432	100,571	324,024	1,321,979
Clean Water State Revolving Loan	119,000	786,284		905,284
Total Business-type Activities	<u>1,898,709</u>	<u>921,900</u>	<u>565,377</u>	<u>2,255,232</u>
Total Long-term Debt	<u>\$ 3,059,611</u>	<u>1,308,452</u>	<u>905,974</u>	<u>3,462,089</u>



CITY OF WIGGINS
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2015

<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	50,000
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
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, 2015

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets:				
Land	\$ 664,530			664,530
Construction in progress		301,434		301,434
Buildings	1,624,853			1,624,853
Improvements other than buildings	3,350,312	21,052		3,371,364
Machinery and equipment	1,175,517	38,924	(12,413)	1,202,028
Vehicles	1,746,679	136,427	(19,977)	1,863,129
	<u>8,561,891</u>	<u>497,837</u>	<u>(32,390)</u>	<u>9,027,338</u>
Total Governmental Activities Capital Assets				
Business-type Activities:				
Capital Assets:				
Land	\$ 5,424			5,424
Construction in progress	1,989,449	874,964	(1,707,307)	1,157,106
Improvements other than buildings	7,418,511		1,707,307	9,125,818
Machinery and equipment	185,129	5,271		190,400
Vehicles	184,131			184,131
	<u>9,782,644</u>	<u>880,235</u>	<u>0</u>	<u>10,662,879</u>
Total Business-type Activities Capital Assets				

CITY OF WIGGINS

SPECIAL REPORTS

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
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Members:
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Mississippi Society of CPAs

**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

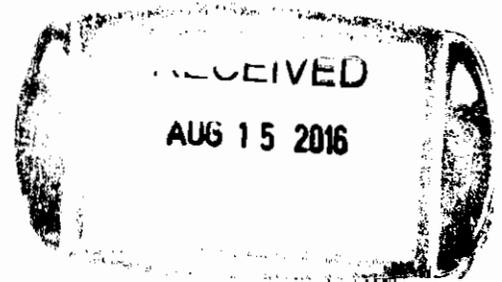
We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 7, 2016.

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 Responses, 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 Responses as 15-1 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 Responses as 15-1 to be a significant deficiency.

Compliance and Other Matters

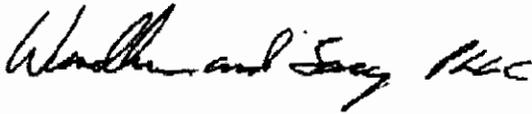
As part of obtaining reasonable assurance about whether the City of Wiggins, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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 finding identified in our audit are described in the accompanying Schedule of Findings and Responses. The City of Wiggins, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
June 7, 2016

Windham and Lacey, PLLC

Certified Public Accountants

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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, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2016. 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.

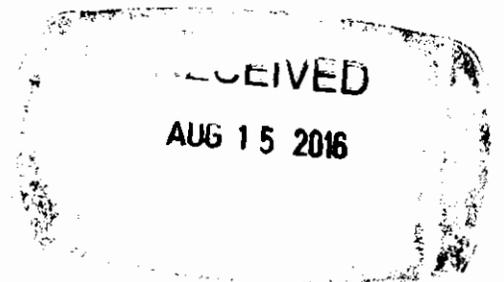
This report is intended solely for the information and use of management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



Windham and Lacey, PLLC
June 7, 2016

CITY OF WIGGINS

SCHEDULE OF FINDINGS AND RESPONSES



CITY OF WIGGINS

Schedule of Findings and Responses
For the Year Ended September 30, 2015

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 |

Section 2: Financial Statement Finding

Significant Deficiency - Material Weakness

15 - 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.

