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**CITY OF WIGGINS
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2012

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CITY OF WIGGINS
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CITY OF WIGGINS

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

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(601)939-8676

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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

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, 2012, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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.

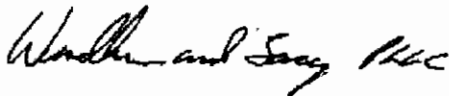
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins as of September 30, 2012, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2012, on our consideration of the City of Wiggins' 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* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedule is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Wiggins has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

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 other required supplementary information section is presented for purposes of additional analysis and is not a required part of the 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The other required supplementary information section has 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 it.



Windham and Lacey, PLLC
December 29, 2012

CITY OF WIGGINS

FINANCIAL STATEMENTS

City of Wiggins
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended September 30, 2012

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 425,820	37,161		124,483	(264,176)		(264,176)
Public safety	2,283,173	303,720	44,731	94,414	(1,840,308)		(1,840,308)
Public works	1,220,847	252,459		245,543	(722,845)		(722,845)
Culture and recreation	202,283	980	10,281		(191,022)		(191,022)
Principal paid on long-term debt	82,624				(82,624)		(82,624)
Interest on long-term debt	963				(963)		(963)
Total Governmental Activities	4,215,710	594,320	55,012	464,440	(3,101,938)	0	(3,101,938)
Business-type Activities:							
Water/Sewer	1,260,196	924,842		228,652		(106,702)	(106,702)
Total Business-type Activities	1,260,196	924,842	0	228,652	0	(106,702)	(106,702)
Total Government	\$ 5,475,906	1,519,162	55,012	693,092	(3,101,938)	(106,702)	(3,208,640)
General Receipts							
Taxes:							
Property taxes					\$ 650,861		650,861
Road & bridge privilege taxes					66,053		66,053
Sales tax					1,645,774		1,645,774
Franchise taxes					402,466		402,466
Grants and contributions not restricted to specific programs					32,749		32,749
Unrestricted investment income					6,529	512	7,041
Miscellaneous					22,518		22,518
Debt proceeds					41,826	495,466	537,292
Total General Receipts					2,868,776	495,978	3,364,754
Change in net assets					(233,162)	389,276	156,114
Net Assets - Beginning					696,353	(256,595)	439,758
Net Assets - Ending					\$ 463,191	132,861	595,872

**City of Wiggins
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended September 30, 2012**

(Continued)

ASSETS	
Cash and cash equivalents	\$ 211,287
Restricted cash	<u>384,585</u>
Total Assets	<u>\$ 595,872</u>
NET ASSETS	
Restricted:	
Restricted for unemployment compensation	\$ 4,198
Restricted for court bonds	12,980
Restricted for court assessments	32,398
Restricted for capital projects	230,033
Restricted for debt service	12,000
Restricted for meter deposits	92,976
Unrestricted	<u>211,287</u>
Total Net Assets	<u>\$ 595,872</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, 2012

	Governmental Activities				Business-type
	Major Funds			Total	Activities
	General Fund	Airport Improvements	Non-Major Funds	Total	Water/Sewer Funds
RECEIPTS					
Ad valorem taxes	\$ 650,861			650,861	
Road and bridge tax	66,053			66,053	
License and permits	37,161			37,161	
Franchise taxes on utilities	402,466			402,466	
Intergovernmental revenues:					
Federal revenues:					
Grants	105,358	176,021	126,545	407,924	224,965
State shared revenues:					
Sales taxes	1,645,774			1,645,774	
Grants	34,274	8,896		43,170	
General municipal aid	56,021			56,021	
Local shared revenues:					
Pat Harrison grant					3,687
County grants	22,000	1,139		23,139	
Charges for services:					
Garbage	252,459			252,459	
Water and sewer utility					924,842
Fines and forfeits	273,715		30,005	303,720	
Interest income	6,334		195	6,529	512
Contributions from outside sources				0	
Miscellaneous revenue	28,060		17,385	45,445	
Total Receipts	<u>3,580,536</u>	<u>186,056</u>	<u>174,130</u>	<u>3,940,722</u>	<u>1,154,006</u>

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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, 2012

(Continued)

	Governmental Activities				Business-type
	Major Funds			Total	Activities
	General Fund	Airport Improvements	Non-Major Funds		Water/Sewer Fund
DISBURSEMENTS					
General government	\$ 425,820			425,820	
Public safety	2,213,629		980	2,214,609	
Public works	840,906	209,988		1,050,894	
Culture and recreation	60,316		141,967	202,283	
Water and sewer utility:					
Personal services					255,457
Supplies					113,289
Utilities					130,644
Other services and charges					153,188
Total Disbursements	<u>3,540,671</u>	<u>209,988</u>	<u>142,947</u>	<u>3,893,606</u>	<u>652,578</u>
Excess of Receipts over (under) Disbursements	<u>39,865</u>	<u>(23,932)</u>	<u>31,183</u>	<u>47,116</u>	<u>501,428</u>
OTHER CASH SOURCES (USES)					
Issuance of debt		41,826		41,826	495,466
Capital outlay	(68,564)		(169,953)	(238,517)	(446,494)
Principal paid on loan and lease purchase	(82,624)			(82,624)	(148,620)
Interest paid on loan and lease purchase	(963)			(963)	
Principal paid on bonds and notes					(11,546)
Interest paid on bonds and notes					(958)
Transfers in (out) to other funds	(167,966)		167,966	0	
Total Other Cash Sources and (Uses)	<u>(320,117)</u>	<u>41,826</u>	<u>(1,987)</u>	<u>(280,278)</u>	<u>(112,152)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>(280,252)</u>	<u>17,894</u>	<u>29,196</u>	<u>(233,162)</u>	<u>389,276</u>
CASH BASIS FUND BALANCE – Beginning of Year	<u>526,835</u>	<u>150,263</u>	<u>19,255</u>	<u>696,353</u>	<u>(256,595)</u>
CASH BASIS FUND BALANCE – End of Year	<u>\$ 246,583</u>	<u>168,157</u>	<u>48,451</u>	<u>463,191</u>	<u>132,681</u>
CASH BASIS ASSETS - End of Year					
Cash and cash equivalents	\$ 233,603		11,855	245,458	(34,171)
Restricted cash	12,980	168,157	36,596	217,733	166,852
Total Cash Basis Assets	<u>\$ 246,583</u>	<u>168,157</u>	<u>48,451</u>	<u>463,191</u>	<u>132,681</u>

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, 2012

(Continued)

	Governmental Activities				Business-type
	Major Funds			Total	Activities
	General Fund	Airport Improvements	Non-Major Funds	Total	Water/Sewer Fund
CASH BASIS FUND BALANCES –					
End of Year					
Restricted:					
Restricted for unemployment compensation	\$		4,198	4,198	
Restricted for court bonds	12,980			12,980	
Restricted for court assessments			32,398	32,398	
Restricted for capital projects		168,157		168,157	61,876
Restricted for debt service					12,000
Restricted for meter deposits					92,976
Unassigned	233,603		11,855	245,458	(34,171)
Total Cash Basis Fund Balances	\$ <u>246,583</u>	<u>168,157</u>	<u>48,451</u>	<u>463,191</u>	<u>132,681</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, 2012

(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 Assets and the Statement of Changes in Net Assets) 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 Assets.

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, 2012

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 Assets or Equity.

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 Assets.*

Restricted net assets - 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 assets - 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 \$384,585 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 no fund balance 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.

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.

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CITY OF WIGGINS

Notes to Financial Statements For the Year Ended September 30, 2012

(2) Cash and Cash Equivalents.

At year-end, the City's carrying amount of deposits was \$595,872 and the bank balance was \$730,842. 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 the behalf of the City. As of September 30, 2012, none of the City's bank balance of \$730,842 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 14.26% 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, 2012, 2011 and 2010 were \$210,988, \$209,244, and \$187,895, respectively, which is equal to the required contributions for each year.

CITY OF WIGGINS

REQUIRED SUPPLEMENTARY INFORMATION

**Town of Wiggins
 Budgetary Comparison Schedule -
 Budget and Actual
 General Fund
 For the Year Ended September 30, 2012**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Bndget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 632,529	650,861	650,861	
Road and bridge tax	57,750	66,053	66,053	
License and permits	28,900	37,161	37,161	
Franchise tax	480,000	402,466	402,466	
Intergovernmental revenues	1,846,687	1,863,427	1,863,427	
Charges for services	273,240	252,459	252,459	
Fines and forfeits	230,000	273,715	273,715	
Interest income	15,000	6,334	6,334	
Miscellaneous	31,500	28,060	28,060	
Total Receipts	<u>3,595,606</u>	<u>3,580,536</u>	<u>3,580,536</u>	<u>0</u>
EXPENDITURES				
General government	419,921	425,820	425,820	
Public safety	2,180,839	2,282,193	2,282,193	
Public works	767,257	840,906	840,906	
Culture and recreation	52,756	60,316	60,316	
Debt service:				
Principal	85,126	82,624	82,624	
Interest	5,017	963	963	
Total Expenditures	<u>3,510,916</u>	<u>3,692,822</u>	<u>3,692,822</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>84,690</u>	<u>(112,286)</u>	<u>(112,286)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Transfers out	(84,690)	(167,966)	(167,966)	
Total Other Cash Sources and Uses	<u>(84,690)</u>	<u>(167,966)</u>	<u>(167,966)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	0	(280,252)	(280,252)	0
Cash Basis Fund Balances - Beginning	526,835	526,835	526,835	0
Cash Basis Fund Balances - Ending	<u>\$ 526,835</u>	<u>246,583</u>	<u>246,583</u>	<u>0</u>

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

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CITY OF WIGGINS

Notes to the Required Supplementary Information For the Year Ended September 30, 2012

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 REQUIRED SUPPLEMENTARY INFORMATION

**City of Wiggins
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2012**

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2011</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2012</u>
<u>Bonds:</u>				
Business-type Activities:				
Revenue bond - Berkadia Commercial Mortgage	\$ 24,380		11,546	12,834
Total Bonds	24,380	0	11,546	12,834
<u>Other long-term debt:</u>				
Governmental Activities:				
Loan payable - Municipal court building	194,649		64,034	130,615
Negotiable note - airport improvement		41,826		41,826
Capital Leases Payable:				
Hancock Bank - 2010 Dodge Chargers	39,415		17,189	22,226
Hancock Bank - 2008 Ford Expedition	1,402		1,402	0
Total Governmental Activities	235,466	41,826	82,625	194,667
Business-type Activities:				
Negotiable note - sewer rehab		433,590	148,620	284,970
Drinking Water State Revolving Loan		61,876		61,876
Total Business-type Activities	0	495,466	148,620	346,846
Total Other Long-term Debt	235,466	537,292	231,245	541,513
Total Long-term Debt	\$ 259,846	537,292	242,791	554,347

**City of Wiggins
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2012**

<u>Position</u>	<u>Company</u>	<u>Coverage</u>
Aldermen	MS Municipal Bond Program	\$ 50,000
Mayor	MS Municipal Bond Program	50,000
City clerk	Travelers	50,000
Deputy city clerks, each	Travelers	50,000
Municipal court clerk	Travelers	50,000
Police chief	Travelers	50,000
Police officers, each	Travelers	50,000
Purchase clerk	Travelers	50,000
Water & sewer clerk	Travelers	50,000
Payroll clerk	Travelers	50,000
Co-op student clerk	Travelers	50,000
Senior center director	Travelers	50,000

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City of Wiggins
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2012

	<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		172,891		172,891
Buildings	1,411,377			1,411,377
Improvements other than buildings	3,331,718			3,331,718
Machinery and equipment	740,194	69,572		809,766
Vehicles	1,677,739			1,677,739
Total Governmental Activities Capital Assets	\$ 7,825,558	242,463	0	8,068,021
Business-type Activities				
Capital Assets:				
Land	\$ 5,424			5,424
Construction in progress		509,249		509,249
Improvements other than buildings	6,906,065			6,906,065
Machinery and equipment	97,012	2,095		99,107
Vehicles	140,393			140,393
Total Business-type Activities Capital Assets	\$ 7,148,894	511,344	0	7,660,238

CITY OF WIGGINS

SUPPLEMENTAL INFORMATION

City of Wiggins
Schedule of Expenditures of Federal Awards
September 30, 2012

<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 Program:				
U. S. Department of Defense/U. S. Army Corps of Engineers/Mississippi Environmental Infrastructure Section 592 Program	12.UNK	WRDA 1999	N/A	\$ 311,963
Total Major Program				311,963
Non-Major Programs:				
U. S. Department of Housing and Urban Development/Mississippi Development Authority/Community Development Block Grant	14.219/14.228	CDBG	R-109-388-03-KCR	150,000
U. S. Department of Housing and Urban Development/Mississippi Development Authority/ HOME Investments Partnerships Program	14.239	HOME 2007	1219-M07-SG-280-142	2,063
U. S. Department of Justice/Office of Justice Programs/ Mississippi Department of Public Safety Planning/ Edward Byrne Local Law Enforcement Assistance Grant	16.580		08LB3572 10LB3571	22,134 7,647
U. S. Department of Justice/Mississippi Department of Public Safety Planning/Community Oriented Policing Services Technology Grant	16.710	2008CKWX0884	08CT3571	40,450
U. S. Department of Transportation/ Federal Aviation Administration/ Airport Improvement Program	20.106	3-28-0078-011-2011 3-28-0078-012-2012	N/A	230,528
U. S. Department of Transportation/NHTSA/ Mississippi Department of Public Safety Planning 154 Alcohol Countermeasures	20.607		11TA3571 12TA3571	10,039 27,918
U. S. Environmental Protection Agency/ Mississippi Department of Health/Drinking Water State Revolving Loan Program	66.468		DWI-L660005-01	49,847

City of Wiggins
 Schedule of Expenditures of Federal Awards
 September 30, 2012

(Continued)

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Identification Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
U. S. Department of Homeland Security Assistance to Firefighters Grant	97.044	EMW-2011-FO- 06891	N/A	10,944
U. S. Department of Homeland Security/Mississippi Department of Public Safety/Homeland Security Grant Program	97.067		09LE388 10LE388	18,000 <u>28,035</u>
Total Non-Major Programs				<u>597,605</u>
Total Major and Non-Major Programs				\$ <u><u>909,568</u></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

SPECIAL REPORTS

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
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(601)939-8676

Members:
American Institute of CPAs
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 the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wiggins, Mississippi, as of and for the year ended September 30, 2012, which collectively comprise City of Wiggins, Mississippi's basic financial statements and have issued our report thereon dated December 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

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 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.

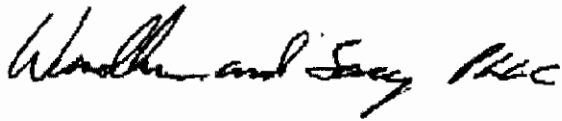
Our consideration of the internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

This report is intended solely for the information and use of management, others within the entity, 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. However, this report is a matter of public record and its distribution is not limited.

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
December 29, 2012

Windham and Lacey, PLLC

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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

Compliance

We have audited the compliance of 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 its major federal program for the year ended September 30, 2012. City of Wiggins, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of City of Wiggins, Mississippi's management. Our responsibility is to express an opinion on City of Wiggins, Mississippi's compliance based on our audit.

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 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. Our audit does not provide a legal determination on City of Wiggins, Mississippi's compliance with those requirements.

In our opinion, City of Wiggins, Mississippi, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2012.

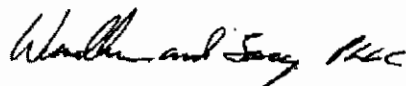
Internal Control Over Compliance

The management of City of Wiggins, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Wiggins, Mississippi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 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 noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, 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. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
December 29, 2012

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

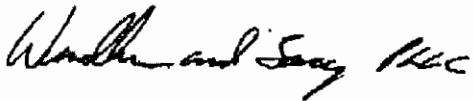
Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Wiggins, Mississippi, as of and for the year ended September 30, 2012, and have issued our report thereon dated December 29, 2012. 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 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. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
December 29, 2012

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CITY OF WIGGINS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF WIGGINS

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012**

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on the primary government financial statements: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | 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: | Unqualified |
| 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 Defense/U. S. Army Corps of Engineers/
Section 592 Program, CFDA #12.124R | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | Yes |
| 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 |

CITY OF WIGGINS

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012**

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

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