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**CITY OF WIGGINS
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

CITY OF WIGGINS

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CITY OF WIGGINS

FINANCIAL SECTION

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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

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, Mississippi, as of and for the year ended September 30, 2016, 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, Mississippi, as of September 30, 2016, 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

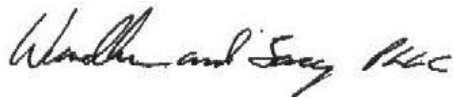
The Schedule of Changes in Long-term Debt, Schedule of Surety Bonds, and Schedule of Capital Assets for the City of Wiggins, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide 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 April 6, 2017, 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, Mississippi's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the City of Wiggins, Mississippi, 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 cursive script that reads "Windham and Lacey, PLLC".

Windham and Lacey, PLLC

□□□□□□, 2017

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, 2016

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 458,020	31,617	3,958		(422,445)		(422,445)
Public safety	2,457,167	225,974	137,132	312,692	(1,781,369)		(1,781,369)
Public works	1,187,835	224,115	21,465	286,081	(656,174)		(656,174)
Culture and recreation	302,874	950			(301,924)		(301,924)
Principal paid on debt	117,061				(117,061)		(117,061)
Interest paid on debt	9,915				(9,915)		(9,915)
Total Governmental Activities	4,532,872	482,656	162,555	598,773	(3,288,888)	0	(3,288,888)
Business-type Activities:							
Water/Sewer	1,388,654	1,143,156				(245,498)	(245,498)
Principal paid on debt	153,566					(153,566)	(153,566)
Interest paid on debt	38,850					(38,850)	(38,850)
Total Business-type Activities	1,581,070	1,143,156	0	0	0	(437,914)	(437,914)
Total Government	\$ 6,113,942	1,625,812	162,555	598,773	(3,288,888)	(437,914)	(3,726,802)
General Receipts							
Taxes:							
Property taxes					\$ 816,593		816,593
Road & bridge privilege taxes					69,289		69,289
Sales tax					1,827,554		1,827,554
Franchise taxes					398,887		398,887
Grants and contributions not restricted to specific programs					2,626		2,626
Unrestricted investment income					3,064	67	3,131
Miscellaneous					73,212	7,075	80,287
Interfund transactions					(64,978)	64,978	
Debt proceeds						588,254	588,254
Transfers					(111,759)	111,759	
Total General Receipts					3,014,488	772,133	3,786,621
Change in net position					(274,400)	334,219	59,819
Net Position - Beginning					(132,835)	469,910	337,075
Net Position - Ending					\$ (407,235)	804,129	396,894

CITY OF WIGGINS
Statement of Activities and Net Position - Cash Basis
As of and For the Year Ended September 30, 2016

(Continued)

ASSETS

Cash and cash equivalents	\$ (338,738)
Restricted cash	<u>735,632</u>
Total Assets	\$ <u><u>396,894</u></u>

NET POSITION

Restricted:	
Restricted for unemployment compensation	\$ 4,198
Restricted for court bonds	13,863
Restricted for court assessments	71,220
Restricted for public safety	9,741
Restricted for capital projects	523,044
Restricted for meter deposits	113,566
Unrestricted	<u>(338,738)</u>
Total Net Position	\$ <u><u>396,894</u></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, 2016

	Governmental Activities						Business-type Activities		
	Major Funds						Water/Sewer Funds	Sewer Rehab Fund	Total
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total			
RECEIPTS									
Ad valorem taxes	\$ 738,516			78,077		816,593			
Road and bridge tax	69,289					69,289			
License and permits	31,617					31,617			
Franchise taxes on utilities	398,887					398,887			
Intergovernmental revenues:									
Federal revenues:									
Grants	225,928	280,518				506,446			
State shared revenues:									
Sales taxes	1,827,554					1,827,554			
Grants	235,298	4,115				239,413			
General municipal aid	3,958					3,958			
Local shared revenues:									
County grants	11,170					11,170			
Charges for services:									
Garbage	224,115					224,115			
Water and sewer utility							1,143,156		1,143,156
Fines and forfeits	203,462		15,910		6,602	225,974			
Interest income	3,019				45	3,064	67		67
Contributions from outside sources					9,224	9,224			
Miscellaneous revenue	66,105				1,028	67,133	6,841	234	7,075
Total Receipts	<u>4,038,918</u>	<u>284,633</u>	<u>15,910</u>	<u>78,077</u>	<u>16,899</u>	<u>4,434,437</u>	<u>1,150,064</u>	<u>234</u>	<u>1,150,298</u>

CITY OF WIGGINS

(Continued)

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, 2016

	Governmental Activities						Business-type Activities		
	Major Funds						Water/Sewer Fund	Sewer Rehab Fund	Total
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total			
DISBURSEMENTS									
General government	\$ 449,635				4,375	454,010			
Public safety	2,307,041		1,770			2,308,811			
Public works	866,286	267,702			165	1,134,153			
Culture and recreation	161,485				91,316	252,801			
Water and sewer utility:									
Personal services							266,385		266,385
Supplies							97,000		97,000
Water treatment							382,704		382,704
Utilities							130,689		130,689
Other services and charges							40,038		40,038
Total Disbursements	<u>3,784,447</u>	<u>267,702</u>	<u>1,770</u>	<u>0</u>	<u>95,856</u>	<u>4,149,775</u>	<u>916,816</u>	<u>0</u>	<u>916,816</u>
Excess of Receipts over (under) Disbursements	<u>254,471</u>	<u>16,931</u>	<u>14,140</u>	<u>78,077</u>	<u>(78,957)</u>	<u>284,662</u>	<u>233,248</u>	<u>234</u>	<u>233,482</u>
OTHER CASH SOURCES (USES)									
Issuance of debt								588,254	588,254
Capital outlay	(252,079)				(3,270)	(255,349)	(6,390)	(465,448)	(471,838)
Principal paid on loan and lease purchase	(50,870)		(9,439)	(56,752)		(117,061)	(153,566)		(153,566)
Interest paid on loan and lease purchase	(5,501)		(418)	(3,996)		(9,915)	(38,850)		(38,850)
Interfund transactions	(184,790)	119,812				(64,978)	271,410	(206,432)	64,978
Transfers in (out) to other funds	(113,864)				2,105	(111,759)	111,759		111,759
Total Other Cash Sources and (Uses)	<u>(607,104)</u>	<u>119,812</u>	<u>(9,857)</u>	<u>(60,748)</u>	<u>(1,165)</u>	<u>(559,062)</u>	<u>184,363</u>	<u>(83,626)</u>	<u>100,737</u>
Excess (Deficiency) of Receipts and Other Cash Sources over Disbursements and Other Cash Uses	<u>(352,633)</u>	<u>136,743</u>	<u>4,283</u>	<u>17,329</u>	<u>(80,122)</u>	<u>(274,400)</u>	<u>417,611</u>	<u>(83,392)</u>	<u>334,219</u>
CASH BASIS FUND BALANCE - Beginning 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>164,319</u>	<u>469,910</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ (801,763)</u>	<u>442,117</u>	<u>71,220</u>	<u>113,581</u>	<u>(232,390)</u>	<u>(407,235)</u>	<u>723,202</u>	<u>80,927</u>	<u>804,129</u>

CITY OF WIGGINS

(Continued)

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, 2016

	Governmental Activities						Business-type Activities		
	Major Funds						Water/Sewer Fund	Sewer Rehab Fund	Total
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total			
CASH BASIS ASSETS - End of Year									
Cash and cash equivalents	\$ (817,474)			113,581	(244,481)	(948,374)	609,636		609,636
Restricted cash	15,711	442,117	71,220		12,091	541,139	113,566	80,927	194,493
Total Cash Basis Assets	\$ (801,763)	442,117	71,220	113,581	(232,390)	(407,235)	723,202	80,927	804,129
CASH BASIS FUND BALANCES - End of Year									
Committed:									
Public safety	\$				16,725	16,725			
Debt service				113,581		113,581	12,191		12,191
Restricted:									
Restricted for unemployment compensation					4,198	4,198			
Restricted for court bonds	13,863					13,863			
Restricted for court assessments			71,220			71,220			
Restricted for capital projects		442,117				442,117		80,927	80,927
Restricted for public safety	1,848				7,893	9,741			
Restricted for meter deposits							113,566		113,566
Unassigned	(817,474)				(261,206)	(1,078,680)	597,445		597,445
Total Cash Basis Fund Balances	\$ (801,763)	442,117	71,220	113,581	(232,390)	(407,235)	723,202	80,927	804,129

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, 2016

(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, 2016

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, 2016

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 \$396,894 and the bank balance was \$656,101. 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, 2016, none of the City's bank balance of \$656,101 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, 2016, 2015 and 2014 were \$274,923, \$270,210, and \$259,087, 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, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 708,121	738,516	738,516	
Road and bridge tax	70,000	69,289	69,289	
License and permits	34,400	31,617	31,617	
Franchise tax	480,000	398,887	398,887	
Intergovernmental revenues	2,188,727	2,303,908	2,303,908	
Charges for services	273,240	224,115	224,115	
Fines and forfeits	225,500	203,462	203,462	
Interest income	1,500	3,019	3,019	
Miscellaneous	15,000	66,105	66,105	
Total Receipts	<u>3,996,488</u>	<u>4,038,918</u>	<u>4,038,918</u>	<u>0</u>
EXPENDITURES				
General government	348,658	449,635	449,635	
Public safety	2,173,554	2,513,902	2,513,902	
Public works	1,063,191	866,286	866,286	
Culture and recreation	154,841	206,703	206,703	
Debt service:				
Principal	13,849	50,870	50,870	
Interest	936	5,501	5,501	
Total Expenditures	<u>3,755,029</u>	<u>4,092,897</u>	<u>4,092,897</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>241,459</u>	<u>(53,979)</u>	<u>(53,979)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from debt	84,000			
Interfund transactions		(184,790)	(184,790)	
Transfers out	(81,930)	(113,864)	(113,864)	
Total Other Cash Sources and Uses	<u>2,070</u>	<u>(298,654)</u>	<u>(298,654)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	243,529	(352,633)	(352,633)	0
Cash Basis Fund Balances - Beginning	<u>(393,693)</u>	<u>(449,130)</u>	<u>(449,130)</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (150,164)</u>	<u>(801,763)</u>	<u>(801,763)</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, 2016

	<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	\$ 7,000	15,910	15,910	
Total Receipts	<u>7,000</u>	<u>15,910</u>	<u>15,910</u>	<u>0</u>
EXPENDITURES				
Public safety	7,000	11,627	11,627	
Total Expenditures	<u>7,000</u>	<u>11,627</u>	<u>11,627</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>0</u>	<u>4,283</u>	<u>4,283</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	0	4,283	4,283	0
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>66,937</u>	<u>66,937</u>	<u>0</u>
Cash Basis Fund Balances - Ending	\$ <u><u>0</u></u>	<u><u>71,220</u></u>	<u><u>71,220</u></u>	<u><u>0</u></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, 2016

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 - UNAUDITED
For the Year Ended September 30, 2016

Description	Outstanding Balance Sept. 30, 2015	Issued	Redeemed	Outstanding Balance Sept. 30, 2016
<u>Loans and Capital Leases Payable:</u>				
Governmental Activities:				
Negotiable note - airport improvement	\$ 447,369			447,369
Negotiable note - municipal court building	174,220		56,752	117,468
Capital Leases Payable:				
Hancock Bank - Ford F550	38,352		10,103	28,249
BancorpSouth - 2015 Dodge trucks	43,363		11,780	31,583
Hancock Bank - 2012 Dodge Chargers	4,382		4,382	
Hancock Bank - Ford F150	5,724		5,724	
BancorpSouth - Computer	74,355		28,320	46,035
Total Governmental Activities	<u>787,765</u>	<u>0</u>	<u>117,061</u>	<u>670,704</u>
Business-type Activities:				
Negotiable note	419,092		64,977	354,115
Capital Leases Payable:				
Hancock Bank - Ford F250	27,969		8,646	19,323
Drinking Water State Revolving Loan	1,321,979		58,671	1,263,308
Clean Water State Revolving Loan	905,284	588,254	21,272	1,472,266
Total Business-type Activities	<u>2,674,324</u>	<u>588,254</u>	<u>153,566</u>	<u>3,109,012</u>
Total Long-term Debt	<u>\$ 3,462,089</u>	<u>588,254</u>	<u>270,627</u>	<u>3,779,716</u>

CITY OF WIGGINS**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2016**

Name	Position	Company	Coverage
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
Sondra Lee	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 - UNAUDITED
For the Fiscal Year Ended September 30, 2016

	<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	215,924	(110,769)	406,589
Buildings	1,624,853	6,000	110,769	1,741,622
Improvements other than buildings	3,371,364			3,371,364
Machinery and equipment	1,202,028	33,425		1,235,453
Vehicles	1,863,129		(121,635)	1,741,494
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities Capital Assets	\$ <u>9,027,338</u>	<u>255,349</u>	<u>(121,635)</u>	<u>9,161,052</u>
Business-type Activities				
Capital Assets:				
Land	\$ 5,424			5,424
Construction in progress	1,157,106	465,448		1,622,554
Improvements other than buildings	9,125,818			9,125,818
Machinery and equipment	190,400	6,390		196,790
Vehicles	184,131			184,131
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Business-type Activities Capital Assets	\$ <u>10,662,879</u>	<u>471,838</u>	<u>0</u>	<u>11,134,717</u>

CITY OF WIGGINS

SPECIAL REPORTS

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 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 6, 2017.

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.

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

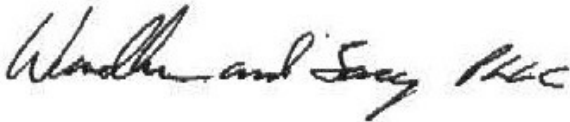
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*.

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 City'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 City'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.

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

Windham and Lacey, PLLC
April 6, 2017

Windham and Lacey, PLLC

Certified Public Accountants

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

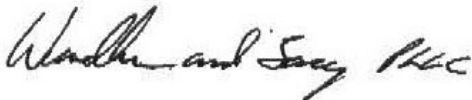
Honorable Mayor and
Members of the Board of Aldermen
City of Wiggins, Mississippi

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, 2016, and the related notes to the financial statements, and have issued our report thereon dated April 6, 2017. 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
April 6, 2017

CITY OF WIGGINS

SCHEDULE OF FINDINGS AND RESPONSES

CITY OF WIGGINS

**Schedule of Findings and Responses
For the Year Ended September 30, 2016**

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? | No |
| | 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

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*.