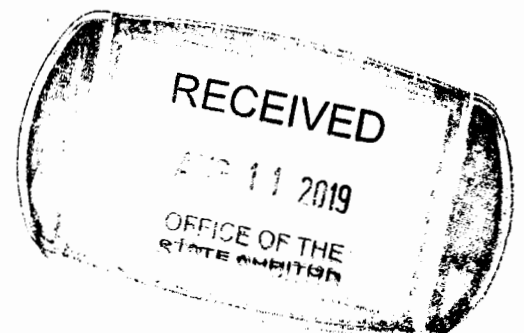




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CITY OF WIGGINS
FINANCIAL STATEMENTS

SEPTEMBER 30, 2018



CITY OF WIGGINS
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CITY OF WIGGINS

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

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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, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

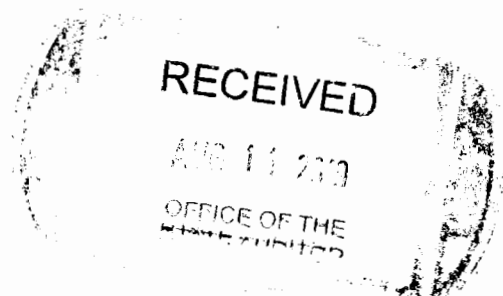
Management's Responsibility for the Financial Statements

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, 2018, 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 for Municipal Officials and Employees, 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 May 2, 2019, 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 effectiveness of the City of Wiggins, Mississippi's 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 black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC
May 2, 2019

CITY OF WIGGINS

FINANCIAL STATEMENTS

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CITY OF WIGGINS

Statement of Activities and Net Position - Cash Basis

As of and For the Year Ended September 30, 2018

	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	\$ 436,519	49,439			(387,080)		(387,080)
Public safety	2,550,361	269,831	116,409	43,663	(2,120,458)		(2,120,458)
Public works	876,034	239,435		53,382	(583,217)		(583,217)
Culture and recreation	218,768	1,540			(217,228)		(217,228)
Principal paid on debt	167,669				(167,669)		(167,669)
Interest paid on debt	36,953				(36,953)		(36,953)
Total Governmental Activities	4,286,304	560,245	116,409	97,045	(3,512,605)	0	(3,512,605)
Business-type Activities:							
Water/Sewer	1,082,758	1,281,072				198,314	198,314
Principal paid on debt	141,423					(141,423)	(141,423)
Interest paid on debt	47,186					(47,186)	(47,186)
Total Business-type Activities	1,271,367	1,281,072	0	0	0	9,705	9,705
Total Government	\$ 5,557,671	1,841,317	116,409	97,045	(3,512,605)	9,705	(3,502,900)
General Receipts							
Taxes:							
Property taxes					\$ 892,382		892,382
Road & bridge privilege taxes					78,350		78,350
Sales tax					1,923,671		1,923,671
Franchise taxes					416,230		416,230
Grants and contributions not restricted to specific programs					3,811		3,811
Unrestricted investment income					5,608	80	5,688
Miscellaneous					41,491		41,491
Interfund transactions					(15,974)	15,974	
Debt proceeds					250,000		250,000
Transfers					(173,741)	173,741	
Total General Receipts					3,421,828	189,795	3,611,623
Change in Net Position					(90,777)	199,500	108,723
Net Position - Beginning					(382,143)	980,012	597,869
Net Position - Ending					\$ (472,920)	1,179,512	706,592



CITY OF WIGGINS
Statement of Activities and Net Position - Cash Basis
As of and For the Year Ended September 30, 2018

(Continued)

ASSETS

Cash and cash equivalents	\$ 107,254
Restricted cash	<u>599,338</u>
Total Assets	\$ <u>706,592</u>

NET POSITION

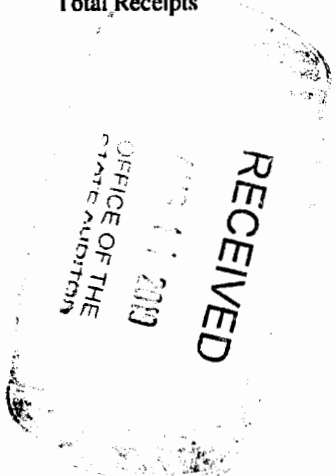
Restricted:	
Restricted for court bonds	\$ 20,078
Restricted for public safety	11,225
Restricted for capital projects	454,469
Restricted for meter deposits	113,566
Unrestricted	<u>107,254</u>
Total Net Position	\$ <u>706,592</u>

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, 2018**

	Governmental Activities						Business-type Activities
	Major Funds						Water/Sewer Funds
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total	
RECEIPTS							
Ad valorem taxes	\$ 772,194			120,188		892,382	
Road and bridge tax	78,350					78,350	
License and permits	49,439					49,439	
Franchise taxes on utilities	416,230					416,230	
Intergovernmental revenues:							
Federal revenues:							
Grants		42,019				42,019	
State shared revenues:							
Sales taxes	1,923,671					1,923,671	
Grants	70,345	1,331				71,676	
General municipal aid	2,188					2,188	
Local shared revenues:							
County grants	101,350					101,350	
Charges for services:							
Garbage	239,435					239,435	
Water and sewer utility							1,281,072
Fines and forfeits	245,829		21,968		2,034	269,831	
Interest income	3,248			2,259	101	5,608	80
Contributions from outside sources					1,572	1,572	
Miscellaneous revenue	39,276				2,215	41,491	
Total Receipts	3,941,555	43,350	21,968	122,447	5,922	4,135,242	1,281,152



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, 2018**
(Continued)

	Governmental Activities						Business-type Activities
	Major Funds						Water/Sewer Fund
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total	
DISBURSEMENTS							
General government	436,519					436,519	
Public safety	2,332,929		405	193,261	2,220	2,528,815	
Public works	841,851	34,420				876,271	
Culture and recreation	139,737				78,794	218,531	
Water and sewer utility:							
Personal services							291,910
Supplies							77,377
Water treatment							379,075
Utilities							137,064
Other services and charges							186,621
Total Disbursements	<u>3,751,036</u>	<u>34,420</u>	<u>405</u>	<u>193,261</u>	<u>81,014</u>	<u>4,060,136</u>	<u>1,072,047</u>
Excess of Receipts Over (Under) Disbursements	<u>190,519</u>	<u>8,930</u>	<u>21,563</u>	<u>(70,814)</u>	<u>(75,092)</u>	<u>75,106</u>	<u>209,105</u>
OTHER CASH SOURCES (USES)							
Issuance of debt	250,000					250,000	
Capital outlay	(21,546)					(21,546)	(10,711)
Principal paid on loan and lease purchase	(57,108)		(5,710)	(104,851)		(167,669)	(141,423)
Interest paid on loan and lease purchase	(2,070)		(39)	(34,844)		(36,953)	(47,186)
Interfund transactions	(15,974)					(15,974)	15,974
Transfers in (out) to other funds	(86,742)			(86,999)		(173,741)	173,741
Total Other Cash Sources and (Uses)	<u>66,560</u>	<u>0</u>	<u>(5,749)</u>	<u>(226,694)</u>	<u>0</u>	<u>(165,883)</u>	<u>(9,605)</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, 2018

	Governmental Activities						Business-type Activities
	Major Funds						Water/Sewer Fund
	General Fund	Airport Improvements	Court Assessment	Debt Service	Non-Major Funds	Total	
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	257,079	8,930	15,814	(297,508)	(75,092)	(90,777)	199,500
CASH BASIS FUND BALANCE - Beginning of Year	(1,228,793)	445,539	83,061	612,995	(294,945)	(382,143)	980,012
CASH BASIS FUND BALANCE - End of Year	<u>\$ (971,714)</u>	<u>454,469</u>	<u>98,875</u>	<u>315,487</u>	<u>(370,037)</u>	<u>(472,920)</u>	<u>1,179,512</u>
CASH BASIS ASSETS - End of Year							
Cash and cash equivalents	\$ (993,640)			315,487	(379,414)	(1,057,567)	1,065,946
Restricted cash	21,926	454,469	98,875		9,377	584,647	113,566
Total Cash Basis Assets	<u>\$ (971,714)</u>	<u>454,469</u>	<u>98,875</u>	<u>315,487</u>	<u>(370,037)</u>	<u>(472,920)</u>	<u>1,179,512</u>
CASH BASIS FUND BALANCES - End of Year							
Committed:							
Public safety	\$				18,688	18,688	
Debt service				315,487		315,487	12,351
Court assessments			98,875			98,875	
Restricted:							
Restricted for court bonds	20,078					20,078	
Restricted for capital projects		454,469				454,469	
Restricted for public safety	1,848				9,377	11,225	
Restricted for meter deposits							113,566
Unassigned	(993,640)				(398,102)	(1,391,742)	1,053,595
Total Cash Basis Fund Balances	<u>\$ (971,714)</u>	<u>454,469</u>	<u>98,875</u>	<u>315,487</u>	<u>(370,037)</u>	<u>(472,920)</u>	<u>1,179,512</u>

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

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CITY OF WIGGINS

Notes to Financial Statements For the Year Ended September 30, 2018

(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, 2018

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:

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.

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, 2018

(2) Cash and Cash Equivalents.

At year-end, the City's carrying amount of deposits was \$706,592 and the bank balance was \$886,083. 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, 2018, none of the City's bank balance of \$886,083 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, 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, 2018, 2017 and 2016 were \$284,091, \$292,217 and \$274,923, 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, 2018

	<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	\$ 725,775	772,194	772,194	
Road and bridge tax	70,000	78,350	78,350	
License and permits	30,600	49,439	49,439	
Franchise tax	410,000	416,230	416,230	
Intergovernmental revenues	1,979,966	2,097,554	2,097,554	
Charges for services	273,240	239,435	239,435	
Fines and forfeits	240,000	245,829	245,829	
Interest income	1,500	3,248	3,248	
Miscellaneous	40,000	39,276	39,276	
Total Receipts	<u>3,771,081</u>	<u>3,941,555</u>	<u>3,941,555</u>	<u>0</u>
EXPENDITURES				
General government	351,541	436,519	436,519	
Public safety	2,195,576	2,332,929	2,332,929	
Public works	919,557	841,851	841,851	
Culture and recreation	188,841	139,737	139,737	
Debt service:				
Principal	45,610	57,108	57,108	
Interest	2,514	2,070	2,070	
Total Expenditures	<u>3,703,639</u>	<u>3,810,214</u>	<u>3,810,214</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>67,442</u>	<u>131,341</u>	<u>131,341</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from debt		250,000	250,000	
Capital outlay		(21,546)	(21,546)	
Interfund transactions		(15,974)	(15,974)	
Transfers out	(56,971)	(86,742)	(86,742)	
Total Other Cash Sources and Uses	<u>(56,971)</u>	<u>125,738</u>	<u>125,738</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	10,471	257,079	257,079	0
Cash Basis Fund Balances - Beginning	<u>(53,125)</u>	<u>(1,228,793)</u>	<u>(1,228,793)</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (42,654)</u>	<u>(971,714)</u>	<u>(971,714)</u>	<u>0</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

TOWN OF WIGGINS
Budgetary Comparison Schedule -
Budget and Actual
Court Assessment Fund
For the Year Ended September 30, 2018

	<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	\$ <u>25,000</u>	<u>21,968</u>	<u>21,968</u>	
Total Receipts	<u>25,000</u>	<u>21,968</u>	<u>21,968</u>	<u>0</u>
EXPENDITURES				
Public safety	<u>10,250</u>	<u>6,154</u>	<u>6,154</u>	
Total Expenditures	<u>10,250</u>	<u>6,154</u>	<u>6,154</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>14,750</u>	<u>15,814</u>	<u>15,814</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	<u>14,750</u>	<u>15,814</u>	<u>15,814</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>14,750</u>	<u>83,061</u>	<u>83,061</u>	<u>0</u>
Cash Basis Fund Balances - Ending	\$ <u><u>29,500</u></u>	<u><u>98,875</u></u>	<u><u>98,875</u></u>	<u><u>0</u></u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

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CITY OF WIGGINS

Notes to the Required Supplementary Information For the Year Ended September 30, 2018

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 and the Court Assessment 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

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CITY OF WIGGINS
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2018

<u>Description</u>	<u>Outstanding Balance Oct. 1, 2017</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2018</u>
<u>Loans and Capital Leases Payable</u>				
Governmental Activities:				
General obligation bonds - taxable	\$ 1,300,000		104,851	1,195,149
Negotiable note	0	250,000		250,000
Capital Leases Payable:				
Hancock Bank - Ford F550	18,761		9,692	9,069
BancorpSouth - 2015 Dodge trucks	19,557		12,276	7,281
Hancock Bank - 2017 Ford F250	23,948		9,468	14,480
Hancock Bank - 2017 Dodge Chargers	54,293		19,961	34,332
BancorpSouth - Computer	17,135	**	17,133	2
Total Governmental Activities	<u>1,433,694</u>	<u>250,000</u>	<u>173,381</u>	<u>1,510,313</u>
Business-type Activities:				
Capital Leases Payable:				
Hancock Bank - Ford F250	10,492		9,006	1,486
Drinking Water State Revolving Loan	1,203,484		61,002	1,142,482
Clean Water State Revolving Loan	1,407,701		65,705	1,341,996
Total Business-type Activities	<u>2,621,677</u>	<u>0</u>	<u>135,713</u>	<u>2,485,964</u>
Total Long-term Debt	\$ <u>4,055,371</u>	<u>250,000</u>	<u>309,094</u>	<u>3,996,277</u>

** Payments of \$5,711 were made from Business-type Activities fund.

CITY OF WIGGINS**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Coverage</u>
George Smith	Alderman	MS Municipal Bond Program	\$ 50,000
Darrell Berry	Alderman	MS Municipal Bond Program	50,000
Ron Dyal	Alderman	MS Municipal Bond Program	50,000
Thomas Hall	Alderman	MS Municipal Bond Program	50,000
Mary Francis Carson	Alderman	MS Municipal Bond Program	50,000
Joel Miles	Mayor	MS Municipal Bond Program	50,000
Johnette Cook	City Clerk	Travelers	73,000
Courtney White	Court Clerk	Travelers	50,000
Johnette Cook	Deputy City Clerk	Travelers	50,000
Shelia Hancock	Court Receptionist	Travelers	50,000
Tanya Smith	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
Gregory Daniels	Policeman	Travelers	25,000
Ronald Thomas	Policeman	Travelers	25,000

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CITY OF WIGGINS
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2018

	<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	406,589			406,589
Buildings	1,741,622			1,741,622
Improvements other than buildings	3,457,911			3,457,911
Machinery and equipment	1,161,561	21,546		1,183,107
Leased vehicles	175,999			175,999
Vehicles	1,741,494			1,741,494
Total Governmental Activities Capital Assets	<u>\$ 9,349,706</u>	<u>21,546</u>	<u>0</u>	<u>9,371,252</u>
Business-type Activities				
Capital Assets:				
Land	\$ 5,424			5,424
Construction in progress	1,622,554			1,622,554
Improvements other than buildings	9,125,818			9,125,818
Machinery and equipment	196,790	10,711		207,501
Vehicles	184,131			184,131
Total Business-type Activities Capital Assets	<u>\$ 11,134,717</u>	<u>10,711</u>	<u>0</u>	<u>11,145,428</u>



CITY OF WIGGINS

SPECIAL REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wiggins, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 2, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Wiggins, Mississippi's internal control over financial reporting (internal control) to determine the 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.

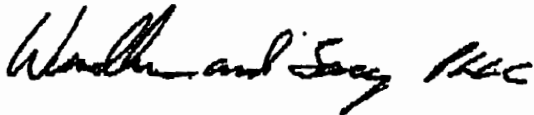
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



Windham and Lacey, PLLC
May 2, 2019



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, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 2, 2019. 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
May 2, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

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CITY OF WIGGINS
Schedule of Findings and Responses
For the Year Ended September 30, 2018

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 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 |

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*.