

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**CITY OF WIGGINS**  
**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

## CITY OF WIGGINS

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**CITY OF WIGGINS**

**FINANCIAL SECTION**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### **INDEPENDENT AUDITORS' REPORT**

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

#### **Opinion**

We have audited the accompanying 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, 2022, and the related Notes to the Financial Statements, which collectively comprise the City of Wiggins, Mississippi's cash basis financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2022, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wiggins, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **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.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis of accounting, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wiggins, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Wiggins, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wiggins, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 an 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.

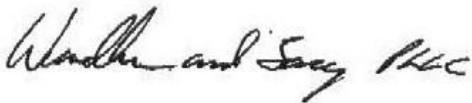
## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wiggins, Mississippi's cash basis financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the cash basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the cash basis 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the cash basis financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The Schedule of Changes in Long-term Debt, the Schedule of Surety Bonds for Municipal Officials and Employees, and the Schedule of Capital Assets for the City of Wiggins, Mississippi, have not been subjected to the auditing procedures applied in the audit of the cash basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the cash basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Windham and Lacey, PLLC  
September 12, 2023

**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, 2022**

As of and for the Year Ended September 30, 2022				Net (Disbursements) Receipts and Changes in Net Position			
		Program Cash Receipts					
	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	\$ 558,715	73,413			(485,302)		(485,302)
Public safety	2,756,145	125,052	63,075	113,127	(2,454,891)		(2,454,891)
Public works	1,435,594	380,171	687,531		(367,892)		(367,892)
Culture and recreation	232,478				(232,478)		(232,478)
Principal paid on debt	324,599				(324,599)		(324,599)
Interest paid on debt	74,128				(74,128)		(74,128)
Total Governmental Activities	5,381,659	578,636	750,606	113,127	(3,939,290)	0	(3,939,290)
Business-type Activities:							
Water/Sewer	2,655,509	1,646,234				(1,009,275)	(1,009,275)
Principal paid on debt	165,964					(165,964)	(165,964)
Interest paid on debt	50,869					(50,869)	(50,869)
Total Business-type Activities	2,872,342	1,646,234	0	0	0	(1,226,108)	(1,226,108)
Total Government	\$ 8,254,001	2,224,870	750,606	113,127	(3,939,290)	(1,226,108)	(5,165,398)
General Receipts							
Taxes:							
Property taxes					\$ 1,176,061		1,176,061
Road & bridge privilege taxes					95,137		95,137
Sales tax					2,533,319		2,533,319
Franchise taxes					459,404		459,404
Grants and contributions not restricted to specific programs					7,398		7,398
Unrestricted investment income					24,936	1,399	26,335
Miscellaneous					137,021		137,021
Debt proceeds					98,140	1,448,136	1,546,276
Transfers					(216,834)	216,834	
Total General Receipts					4,314,582	1,666,369	5,980,951
Change in Net Position					375,292	440,261	815,553
Net Position - Beginning					364,409	1,998,974	2,363,383
Net Position - Ending					\$ 739,701	2,439,235	3,178,936

**(Continued)**

**CITY OF WIGGINS**

**Statement of Activities and Net Position - Cash Basis**

**As of and for the Year Ended September 30, 2022**

**ASSETS**

Cash and cash equivalents	\$ 1,503,557
Restricted cash	<u>1,675,379</u>
Total Assets	\$ <u><u>3,178,936</u></u>

**NET POSITION**

Restricted:	
Restricted for court bonds	\$ 29,114
Restricted for public safety	13,478
Restricted for public works	1,122,723
Restricted for capital projects	392,823
Restricted for meter deposits	117,241
Unrestricted	<u>1,503,557</u>
Total Net Position	\$ <u><u>3,178,936</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, 2022**

	<b>Governmental Activities</b>							<b>Business-type Activities</b>
	<b>Major Funds</b>							<b>Water/Sewer Funds</b>
	<b>General Fund</b>	<b>Airport Improvements</b>	<b>ARPA Fund</b>	<b>Debt Service</b>	<b>Modernization Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>	
<b>RECEIPTS</b>								
Ad valorem taxes	\$ 1,037,836			138,225			1,176,061	
Road and bridge tax	95,137						95,137	
License and permits	73,713						73,713	
Franchise taxes on utilities	459,104						459,104	
Intergovernmental revenues:								
Federal revenues:								
Grants	114,340		558,191				672,531	
State shared revenues:								
Sales taxes	2,533,319						2,533,319	
Grants	196,417						196,417	
General municipal aid	2,183						2,183	
Charges for services:								
Garbage	286,899						286,899	
Water and sewer utility								1,646,234
Fines and forfeits	117,923				93,272	7,129	218,324	
Interest income	14,435		6,341	1,168	1,455	1,537	24,936	1,399
Miscellaneous revenue	134,211			4		2,806	137,021	
Total Receipts	<u>5,065,517</u>	<u>0</u>	<u>564,532</u>	<u>139,397</u>	<u>94,727</u>	<u>11,472</u>	<u>5,875,645</u>	<u>1,647,633</u>
<b>DISBURSEMENTS</b>								
General government	559,049					(334)	558,715	
Public safety	2,537,415					(1,375)	2,536,040	
Public works	1,378,724	20,532					1,399,256	
Culture and recreation	188,637					43,410	232,047	
Water and sewer utility:								
Personal services								287,636
Supplies								84,848
Water treatment								536,858
Utilities								149,708
Other services and charges								141,258
Total Disbursements	<u>4,663,825</u>	<u>20,532</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,701</u>	<u>4,726,058</u>	<u>1,200,308</u>

**(Continued)**

**CITY OF WIGGINS**  
**Statement of Cash Basis Assets and Fund Balances and**  
**Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental and Business-type Funds**  
**As of and for the Year Ended September 30, 2022**

	<b>Governmental Activities</b>						<b>Business-type Activities</b>
	<b>Major Funds</b>						<b>Water/Sewer Funds</b>
	<b>General Fund</b>	<b>Airport Improvements</b>	<b>ARPA Fund</b>	<b>Debt Service</b>	<b>Modernization Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>
Excess of Receipts Over (Under) Disbursements	401,692	(20,532)	564,532	139,397	94,727	(30,229)	1,149,587
<b>OTHER CASH SOURCES (USES)</b>							
Issuance of debt	98,140						98,140
Capital outlay	(256,443)					(431)	(256,874)
Principal paid on loan and lease purchase	(249,599)			(75,000)			(324,599)
Interest paid on loan and lease purchase	(17,787)			(56,341)			(74,128)
Transfers in (out) to other funds	(864,365)		558,191	89,340			(216,834)
Total Other Cash Sources and (Uses)	(1,290,054)	0	558,191	(42,001)	0	(431)	(774,295)
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(888,362)	(20,532)	1,122,723	97,396	94,727	(30,660)	375,292
<b>CASH BASIS FUND BALANCE – Beginning of Year</b>	(342,639)	413,355	0	451,937	135,864	(294,108)	364,409
<b>CASH BASIS FUND BALANCE – End of Year</b>	<u>\$ (1,231,001)</u>	<u>392,823</u>	<u>1,122,723</u>	<u>549,333</u>	<u>230,591</u>	<u>(324,768)</u>	<u>739,701</u>
<b>CASH BASIS ASSETS – End of Year</b>							
Cash and cash equivalents	\$ (1,261,963)			549,333	230,591	(336,398)	(818,437)
Restricted cash	30,962	392,823	1,122,723			11,630	1,558,138
Total Cash Basis Assets	<u>\$ (1,231,001)</u>	<u>392,823</u>	<u>1,122,723</u>	<u>549,333</u>	<u>230,591</u>	<u>(324,768)</u>	<u>739,701</u>

**(Continued)**

**CITY OF WIGGINS**  
**Statement of Cash Basis Assets and Fund Balances and**  
**Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental and Business-type Funds**  
**As of and for the Year Ended September 30, 2022**

	<b>Governmental Activities</b>							<b>Business-type Activities</b>
	<b>Major Funds</b>							<b>Water/Sewer Funds</b>
	<b>General Fund</b>	<b>Airport Improvements</b>	<b>ARPA Fund</b>	<b>Debt Service</b>	<b>Modernization Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>	
<b>CASH BASIS FUND BALANCES – End of Year</b>								
Restricted:								
Restricted for court bonds	\$ 29,114						29,114	
Restricted for capital projects		392,823					392,823	
Restricted for public safety	1,848					11,630	13,478	
Restricted for public works			1,122,723				1,122,723	
Restricted for meter deposits								117,241
Unassigned	<u>(1,261,963)</u>			<u>549,333</u>	<u>230,591</u>	<u>(336,398)</u>	<u>(818,437)</u>	<u>2,321,994</u>
Total Cash Basis Fund Balances	\$ <u><u>(1,231,001)</u></u>	<u><u>392,823</u></u>	<u><u>1,122,723</u></u>	<u><u>549,333</u></u>	<u><u>230,591</u></u>	<u><u>(324,768)</u></u>	<u><u>739,701</u></u>	<u><u>2,439,235</u></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, 2022

#### (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, 2022

The *ARPA fund* is a special revenue fund which accounts for grants to be used for expenditures and improvements.

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

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 Statement No. 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.

## **CITY OF WIGGINS**

### **Notes to Financial Statements For the Year Ended September 30, 2022**

#### **(2) Cash and Cash Equivalents.**

At year-end, the City's carrying amount of deposits was \$3,178,936 and the bank balance was \$3,356,900. 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.

**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 17.40% 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, 2022, 2021, and 2020 were \$350,802, \$352,668, and \$327,786, 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 - UNAUDITED**  
**For the Year Ended September 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Ad valorem taxes	\$ 926,079	1,037,836	1,037,836	
Road and bridge tax	70,000	95,137	95,137	
License and permits	23,150	73,713	73,713	
Franchise tax	451,496	459,104	459,104	
Intergovernmental revenues	2,345,998	2,846,259	2,846,259	
Charges for services	220,000	286,899	286,899	
Fines and forfeits	137,856	117,923	117,923	
Interest income	1,500	14,435	14,435	
Miscellaneous	8,000	134,211	134,211	
Total Receipts	<u>4,184,079</u>	<u>5,065,517</u>	<u>5,065,517</u>	<u>0</u>
<b>EXPENDITURES</b>				
General government	387,319	559,049	559,049	
Public safety	2,288,791	2,537,415	2,537,415	
Public works	1,309,908	1,378,724	1,378,724	
Culture and recreation	183,566	188,637	188,637	
Debt service:				
Principal	152,855	249,599	249,599	
Interest	2,701	17,787	17,787	
Total Expenditures	<u>4,325,140</u>	<u>4,931,211</u>	<u>4,931,211</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>(141,061)</u>	<u>134,306</u>	<u>134,306</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Proceeds from debt		98,140	98,140	
Capital outlay		(256,443)	(256,443)	
Transfers out	(39,992)	(864,365)	(864,365)	
Total Other Cash Sources and Uses	<u>(39,992)</u>	<u>(1,022,668)</u>	<u>(1,022,668)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(181,053)	(888,362)	(888,362)	0
Cash Basis Fund Balances - Beginning	<u>(30,022)</u>	<u>(342,639)</u>	<u>(342,639)</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (211,075)</u>	<u>(1,231,001)</u>	<u>(1,231,001)</u>	<u>0</u>

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

## **CITY OF WIGGINS**

### **Notes to the Required Supplementary Information For the Year Ended September 30, 2022 UNAUDITED**

**A. Budgetary Information.**

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

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

**B. Basis of Presentation.**

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

**C. Budget Reconciliation.**

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

**CITY OF WIGGINS**

**SUPPLEMENTAL INFORMATION**

**CITY OF WIGGINS**  
**Schedule of Expenditures of Federal Awards**  
**September 30, 2022**

<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>
<b>Major Program:</b>				
U.S. Environmental Protection Agency/Mississippi Department of Environmental Quality/ Phase 1 Sewer Rehab Project	66.458		SRF-C280929-02	\$ <u>761,448</u>
Total Major Program				<u>761,448</u>
<b>Non-Major Program:</b>				
U.S. Department of Transportation/ Federal Aviation Administration/ Airport Improvement Program	20.106	3-28-0078-021-2021	N/A	<u>20,533</u>
Total Non-Major Program				<u>20,533</u>
Total Major and Non-Major Programs				\$ <u><u>781,981</u></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Wiggins under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City of Wiggins, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Wiggins.

**(Continued)**

**CITY OF WIGGINS**  
**Schedule of Expenditures of Federal Awards**  
**September 30, 2022**

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

The City of Wiggins has not elected to use the 10% de minimis indirect cost rate allowed under the *Uniform Guidance*.

**CITY OF WIGGINS**

**OTHER INFORMATION**

**CITY OF WIGGINS**  
**Schedule of Changes in Long-term Debt - UNAUDITED**  
**For the Year Ended September 30, 2022**

<b>Description</b>	<b>Outstanding Balance Oct. 1, 2021</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Outstanding Balance Sept. 30, 2022</b>
<b><u>Loans and Capital Leases Payable</u></b>				
Governmental Activities:				
General Obligation Bonds - taxable	\$ 995,094		75,000	920,094
Negotiable note	104,115		51,362	52,753
Capital Leases Payable:				
Trustmark Bank - 3 2021 Dodge Durangos		98,140	13,809	84,331
Trustmark Bank - ladder truck	679,347		154,806	524,541
Trustmark Bank - IBM server	29,713		12,141	17,572
Hancock Bank - tractor and boom mower	56,160		17,481	38,679
Total Governmental Activities	<u>1,864,429</u>	<u>98,140</u>	<u>324,599</u>	<u>1,637,970</u>
Business-type Activities:				
Drinking Water State Revolving loan	952,180		65,948	886,232
Drinking Water State Revolving loan	1,417,165	258,434	29,551	1,646,048
Clean Water State Revolving loan	1,137,845		70,465	1,067,380
Clean Water State Revolving loan	136,490	1,189,702		1,326,192
Total Business-type Activities	<u>3,643,680</u>	<u>1,448,136</u>	<u>165,964</u>	<u>4,925,852</u>
Total Long-Term Debt	<u>\$ 5,508,109</u>	<u>1,546,276</u>	<u>490,563</u>	<u>6,563,822</u>



**CITY OF WIGGINS****Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2022**

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Coverage</b>
Christopher Damian McKay	Alderman	MS Municipal Bond Program	\$ 50,000
Brittany Harris	Alderwoman	MS Municipal Bond Program	\$ 50,000
Ron Dyal	Alderman	MS Municipal Bond Program	\$ 50,000
Sharon Jones	Alderwoman	MS Municipal Bond Program	\$ 50,000
Jeanette Jackson	Alderwoman	MS Municipal Bond Program	\$ 50,000
Darrell Berry	Mayor	MS Municipal Bond Program	\$ 50,000
Courtney White	Court Clerk	Travelers	\$ 50,000
Johnette Cook	City Clerk	Travelers	\$ 50,000
Shelia Hancock	Court Receptionist	Travelers	\$ 50,000
Susan Kellogg	Deputy Court Clerk	Travelers	\$ 50,000
Thaunica Barnes	Office Clerk	Travelers	\$ 50,000
Sondra Lee	Purchase Clerk	Travelers	\$ 50,000
Ashley Dudeck	Asst. Purchase Clerk	Travelers	\$ 50,000
Darlene Pendarvis	Water & Sewer Clerk	Travelers	\$ 50,000
Rebekah Garrard	Payroll Clerk	Travelers	\$ 50,000
Vacant	Senior Center Clerk	Travelers	\$ 50,000
Ronald Thomas	Police Chief	Travelers	\$ 50,000
Timothy Hill	Policeman	Travelers	\$ 50,000
Roger Freeman	Policeman	Travelers	\$ 50,000

**CITY OF WIGGINS**  
**Schedule of Capital Assets - UNAUDITED**  
**For the Fiscal Year Ended September 30, 2022**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>			
Capital Assets:			
Land	\$ 664,530		664,530
Construction in progress	732,845	4,459	737,304
Buildings	1,741,622		1,741,622
Improvements other than buildings	3,629,638	30,000	3,659,638
Machinery and equipment	1,331,151	95,376	1,426,527
Leased vehicles	818,745	98,139	916,884
Vehicles	<u>1,834,167</u>	<u>28,900</u>	<u>1,863,067</u>
Total Governmental Activities Capital Assets	<u>\$ 10,752,698</u>	<u>256,874</u>	<u>11,009,572</u>
<b>Business-type Activities</b>			
Capital Assets:			
Land	\$ 5,424		5,424
Construction in progress	1,605,865	1,448,136	3,054,001
Improvements other than buildings	10,752,216		10,752,216
Machinery and equipment	214,038	7,065	221,103
Vehicles	<u>184,131</u>		<u>184,131</u>
Total Business-type Activities Capital Assets	<u>\$ 12,761,674</u>	<u>1,455,201</u>	<u>14,216,875</u>

**CITY OF WIGGINS**

**SPECIAL REPORTS**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *UNIFORM GUIDANCE***

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

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited City of Wiggins's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Wiggins's major federal programs for the year ended September 30, 2022. The City of Wiggins's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, City of Wiggins, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Wiggins and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Wiggins's compliance with the compliance requirements referred to above.

##### ***Responsibility of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Wiggins's federal programs.

## ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Wiggins's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence that judgment made by a reasonable user of the report on compliance about the City of Wiggins's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Wiggins's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Wiggins's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Wiggins's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Other Matters***

The results of our auditing procedures did not disclose any instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respects to these matters.

## **Report on Internal Control Over Compliance**

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

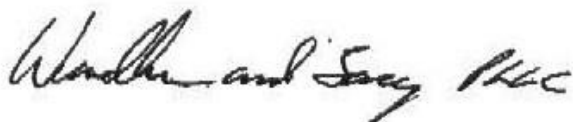
Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the City of Wiggins as of and for the year ended September 30, 2022, and have issued our report thereon dated September 12, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC  
September 12, 2023

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

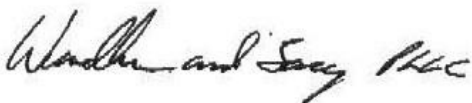
Honorable Mayor and  
Members of the Board of Aldermen  
City of Wiggins, Mississippi

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, 2022, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2023. 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  
September 12, 2023

**CITY OF WIGGINS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



## CITY OF WIGGINS

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2022

#### **Section 1: Summary of Auditors' Results**

##### ***Financial Statements:***

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditors' 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            |

##### ***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 auditors' report issued on compliance for major federal programs:   | Unmodified    |
| 6. | Any audit findings reported as required by Section __.510(a) of Circular A-133?                                   | No            |
| 7. | Federal program identified as a major program:  |               |
|    | U. S. Environmental Protection Agency/Mississippi Department of Environmental Quality/Phase 1 Sewer, CFDA #66.458 |               |

#### **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.