WAVELAND

David A. Garcia, Mayor, CFM

May 31, 2013

Mr. Edward Smith, CPA
Office of the State Auditor
P.O. Box 956
Jackson, MS. 39205

Re: 2011 Financial Single Audit - REVISED DUAL DATED OPINION
(no numbers, including page numbers changed)

Dear Mr. Smith:

Our Auditors re-issued the City's Financial Audit for the fiscal year ended September 30, 2011 (FY 2011). I forward this dual-dated 2011 Audit via this letter.

Our auditors, Wright Ward Hatten & Guel began fieldwork for the city's FY 2012 audit on May 29, 2013; our auditors have told us they hope to have it complete by August.

We sincerely thank you and appreciate your cooperation regarding this matter as it relates to the City of Waveland.

Yours very truly,

Lisa Planchard,
City Clerk

Cc: Janet Dudding, Comptroller
Cc: Audit File, 2011
Cc: City Clerk Correspondence

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JUN 05 2013

Lili Stahler, Alderman Ward #1 • Ricky Geoffrey, Alderman Ward #2 • Shane LaFontaine, Alderman Ward #3
Mark Kidd, Alderman Ward #4 • Lisa B. Planchard, City Clerk • Gary Yarbaraugh, City Attorney
301 Coleman Avenue • Post Office Box 539 • Waveland, Mississippi 39576 • 228-467-4134 • Fax 228-467-3177
mayorsoffice@mchsi.com / w cityhall@mchsi.com

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CITY CLERK

CITY OF WAVELAND, MISSISSIPPI
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Revised

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INTRODUCTORY SECTION

CITY OF WAVELAND, MISSISSIPPI
Listing of City Officials
September 30, 2011

ELECTED OFFICIALS

Mayor	David Garcia
Alderman- Ward 1	LiLi Stahler
Alderman - Ward 2	Ricky Geoffrey
Alderman - Ward 3	Shane Lafontaine
Alderman - Ward 4	Mark Kidd

APPOINTED OFFICIALS

City Clerk	Lisa Planchard
Acting Police Chief	David Allen
Fire Chief	Mike Smith
City Attorney	Gary Yarborough

INDEPENDENT AUDITORS' REPORT

WRIGHT, WARD, HATTEN & GUEL
PROFESSIONAL LIMITED LIABILITY COMPANY
(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1929)
Certified Public Accountants
HANCOCK BANK BUILDING
2510 - 14TH STREET
P. O. BOX 129
GULFPORT, MISSISSIPPI 39502

MICHAEL E. GUEL CPA CVA, PFS CFP®
SANDE W. HENTGES, CPA, CFE

JENNIFER A. BELL, CPA, CFE
DEBORAH (DEE DEE) WOOD, CPA
LEAH HOLLAND, CPA
CHARLENE KERKOW, CPA

MEMBERS
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TELEPHONE (228) 863-6501
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INDEPENDENT AUDITORS' REPORT

February 8, 2013, except for Note 13, as to which
the date is May 20, 2013

Honorable Mayor and Board of Alderman
City of Waveland, Mississippi

We were engaged to audit 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 Waveland, Mississippi, as of and for the year ended September 30, 2011 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management.

As discussed in Note 9 to the financial statements, the City has entered into several federally funded construction projects. At September 30, 2011, the City had approximately $14,500,000 in remaining construction related to Department of Homeland Security/FEMA Public Assistance Disaster grants. Also, the City places emphasis on outside parties to oversee the vast number of federally funded projects without having City personnel assigned to oversee and account for these projects in total in a timely manner. The City does not have a fixed asset subsidiary ledger that is maintained independently of the general ledger accounting system depicting an accurate detail of capital assets by cost, date acquired and description, nor have donations of capital assets been properly recorded as required by generally accepted accounting principles (GAAP).

The City has not implemented policies and procedures over utility billings and collections and a thorough review of aged utility receivables is not timely performed or evaluated for collectability. The City has not implemented adequate policies and procedures over court fine revenue, related receivables and court assessments and a review of aged court fines and timely payment of court assessments is not performed or evaluated for collectability. The amount by which these departures from GAAP and the uncertainties involved in numerous lawsuits regarding federally funded projects would affect the assets, net assets, and expenses of the City's activities is not reasonably determinable and we are uncertain as to the material effect these departures may have on the overall financial statements taken as a whole.

We are reissuing the Annual Financial Report for the City of Waveland, Mississippi for the year ended September 30, 2011 as further explained in Note 13 on page 45.

Because of the significance of the matters described in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2013, on our consideration of the City of Waveland, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 47 through 50 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 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.

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the City of Waveland, Mississippi's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Because of the significance of the matters described previously, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Wright Ward Hatten & Guel

Wright, Ward, Hatten & Guel, PLLC
Gulfport, Mississippi