

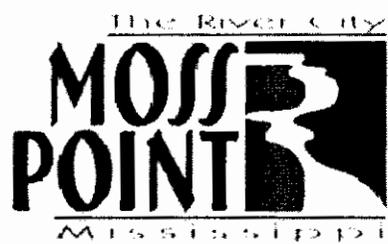


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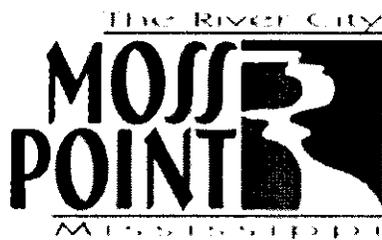
Audited Financial Statements
City of Moss Point, Mississippi
Fiscal Year Ended September 30, 2015

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Audited Financial Statements
City of Moss Point, Mississippi
Fiscal Year Ended September 30, 2015



City of Moss Point, Mississippi

Financial Statements

September 30, 2015

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Section I

Introductory Section

City of Moss Point, Mississippi
City Officials
For the Year Ended September 30, 2015

City Officials

Mayor..... Billy Broomfield

Board of Aldermen/Alderwomen

Alderman at Large Houston Cunningham
Alderman Ward #1..... James C. Smith
Alderman Ward #2..... Chuck Redmond
Alderman Ward #3..... Robert Byrd
Alderman Ward #4..... Shirley Chambers
Alderman Ward #5..... O. Linwood Grierson
Alderman Ward #6 Gary Wayne Lennep

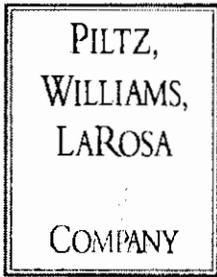
Department Heads

City Clerk..... Adlean Liddell
City Attorney Amy St. Pé
City Accountant Shavay Gaines
Human Resources Antisha Walley
Economic Development..... Sue Wright
Parks and Recreation..... Chadwick Smith
Community Development..... Kathy Keeton
Judicial Keith Miller
Building Inspections Andrew Beamon
Public Works..... Russell Davis
Police..... Arthur McClung
Fire Tommy Posey

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Section II
Financial Section



CERTIFIED PUBLIC ACCOUNTANTS
A Professional Association

MEMBERS
American Institute of CPAs
AICPA Private Companies Practice Section
AICPA Governmental Audit Quality Center
AICPA Center for Audit Quality
AICPA Employee Benefit Plan Audit Quality Center
Mississippi Society of CPAs

Stephen P. Theobald, CPA, CVA
Michael D. O'Neill, CPA
John D. Prentiss, CPA
Eric B. Bland, CPA
David C. Neumann, CPA, CBA

Gerald Piltz, CPA (1925-2013)
Stanford A. Williams, Jr., CPA (Retired)
Sam J. LaRosa, Jr., CPA (Retired)
William S. Thompson, CPA (Retired)
Gene M. Clark, Jr., CPA (Retired)
Darrell L. Galey, CPA
Margaret D. Closson, CPA

Independent Auditors' Report

To the Honorable Mayor and Board of Alderman
City of Moss Point
Moss Point, Mississippi

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Report on the Financial Statements

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 Moss Point, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's 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 in accordance with accounting principles generally accepted in the United States of America; 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moss Point, Mississippi, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As explained in Note 1 (Significant Accounting Policies item F), in 2015, the City adopted new accounting guidance, Government Accounting Standard Board (GASB) Statement Number 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-10 and 17-18 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moss Point, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

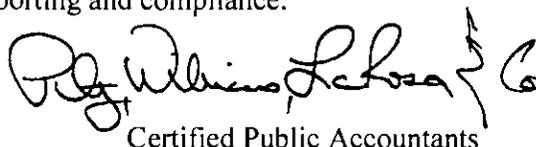
The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and supplemental information sections 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 Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016, on our consideration of the City of Moss Point, 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 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 City of Moss Point, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "P. Williams Lebowitz & Co.", with a stylized flourish at the end.

Certified Public Accountants

Biloxi, Mississippi
June 20, 2016

Management's Discussion and Analysis

City of Moss Point, Mississippi Management's Discussion and Analysis

The discussion and analysis of the City of Moss Point, Mississippi's (the City's) financial performance provides an overall narrative review of the City's financial activities for the year ended September 30, 2015. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the City's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the City's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

Financial Highlights

- In 2015 and 2014, the City's net position amounted to \$39,539,197 and \$47,393,726, respectively. The net assets for governmental activities totaled \$23,998,487 in 2015 and \$28,812,435 in 2014, contributing 61% and 61%, respectively, of total net assets; business-type activities contributed 39% and 39%, totaling \$15,540,710 in 2015 and \$18,581,291 in 2014.
- General revenues for 2015 and 2014 were \$10,691,620 and \$9,050,228 equaling 43% and 41% of all revenues, respectively. Program specific revenues in the form of charges for services and grants and contributions were \$14,284,781 and \$13,192,908 for 2015 and 2014, equaling 57% and 59% of total revenues.
- In 2015 and 2014, the City had \$21,634,572 and \$20,198,652 in expenses, respectively; only \$14,284,781 and \$13,192,908 of these expenses were offset by program specific charges for services, grants and contributions.
- Capital assets, net of accumulated depreciation, totaled \$58,323,594 in 2015 and \$49,972,882 in 2014.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of the following four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline both functions of the City and business-type activities. The governmental activities of the City include police and fire protection, parks, recreation, public works, urban and economic development, and general administrative services. The business-type activities include the water, sewer and gas system, and solid waste management.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements – Fund financial statements tell how City services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements are comprised of the following funds: governmental and proprietary (enterprise) funds.

Fiduciary financial statements - Fiduciary funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Since fiduciary funds report assets held in a trustee or agency capacity for others, these funds cannot be used to support the government's own programs.

Notes to the financial statements – The notes provide additional information that is essential to a user's understanding of the basic financial statements. The notes to the financial statements can be found on pages 24 through 48 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process.

The City adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the general fund. This can be found on pages 17-18 of the report.

Reporting the City's Most Significant Funds

Fund financial statements begin on page 13 and provide detailed information about the most significant funds. Some funds are required to be established by State law. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two major types of funds are discussed below:

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in the reconciliations found on pages 14 and 16.

Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the statement of net assets and the statement of activities. Major proprietary funds include the Moss Point Public Utility Fund and the Escatawpa Utility District. These funds are the same as the business-type activities reported in the government-wide financial statements but provide more detail and additional information, such as cash flows. The accrual basis of accounting is used for proprietary funds.

Government-wide Financial Analysis

Net assets – Net assets may serve over time as a useful indicator of government's financial position. The following table presents a summary of the City's net assets for the fiscal years ended September 30, 2015 and 2014.

Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 19,518,380	\$ 11,876,412	\$ (2,207,026)	\$ (1,686,157)	\$ 17,311,354	\$ 10,190,255
Deferred outflows	978,234	-	\$ 228,668	-	1,206,902	-
Capital assets	33,094,163	23,643,477	25,229,431	26,329,405	58,323,594	49,972,882
Total assets	<u>53,590,777</u>	<u>35,519,889</u>	<u>23,251,073</u>	<u>24,643,248</u>	<u>76,841,850</u>	<u>60,163,137</u>
Long-term debt outstanding	19,244,164	5,546,302	4,701,187	4,734,861	23,945,351	10,281,163
Deferred inflows	1,238,307	-	290,467	-	1,528,774	-
Net pension	8,542,560	-	2,003,810	-	10,546,370	-
Other liabilities	567,259	1,161,152	714,899	1,327,096	1,282,158	2,488,248
Total liabilities	<u>29,592,290</u>	<u>6,707,454</u>	<u>7,710,363</u>	<u>6,061,957</u>	<u>37,302,653</u>	<u>12,769,411</u>
Net assets:						
Investment in capital assets, net of related debt	14,082,668	17,859,707	20,581,824	21,209,615	34,664,492	39,069,322
Restricted	-	-	554,796	550,221	554,796	550,221
Unrestricted	9,915,819	10,952,728	(5,595,910)	(3,178,545)	4,319,909	7,774,183
Total net position	<u>\$ 23,998,487</u>	<u>\$ 28,812,435</u>	<u>\$ 15,540,710</u>	<u>\$ 18,581,291</u>	<u>\$ 39,539,197</u>	<u>\$ 47,393,726</u>

The City's restricted net assets (restricted by revenue source) accounted for 1% of total net assets in 2015 and 1% in 2014. Investment in capital assets (e.g. land, construction in progress, buildings, equipment, and infrastructure) accounted for 88% and 82% in 2015 and 2014, respectively. The remaining balance consisted of unrestricted net assets, the part of net assets used to finance everyday operations without constraints of legal requirements.

City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

Changes in net position – The City's total revenues for the fiscal years ended September 30, 2015 and 2014 were \$24,243,136 and \$22,243,136 respectively. The total cost of all programs and services was \$21,634,572 and \$20,198,652. The following table presents a summary of the changes in net assets for the fiscal years ended September 30, 2015 and 2014.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 1,731,931	\$ 2,049,011	\$ 8,646,734	\$ 9,469,375	\$ 10,378,665	\$ 11,518,386
Operating grants	1,033,264	1,125,799	-	-	1,033,264	1,125,799
Capital grants and contributions	2,872,852	548,723	-	-	2,872,852	548,723
General revenues						
Property taxes	4,257,217	4,158,180	-	-	4,257,217	4,158,180
Franchise taxes	1,004,508	989,631	-	-	1,004,508	989,631
Other taxes	3,261,402	3,184,871	48,991	48,385	3,310,393	3,233,256
Other general revenues	2,117,358	550,811	2,144	118,350	2,119,502	669,161
Total revenues	16,278,532	12,607,026	8,697,869	9,636,110	24,976,401	22,243,136
Expenses						
General government	4,070,716	3,398,295	-	-	4,070,716	3,398,295
Public safety	5,137,736	4,922,211	-	-	5,137,736	4,922,211
Public works	1,911,103	1,688,544	-	-	1,911,103	1,688,544
Culture and recreation	839,097	723,516	-	-	839,097	723,516
Urban & economic development	519,994	309,219	-	-	519,994	309,219
Debt service - interest	195,084	208,034	-	-	195,084	208,034
Solid waste	890,806	1,003,731	-	-	890,806	1,003,731
Water, sewer & gas	-	-	8,070,036	7,945,102	8,070,036	7,945,102
Total expenses	13,564,536	12,253,550	8,070,036	7,945,102	21,634,572	20,198,652
Increase (decrease) in net assets						
before transfers	2,713,996	353,476	627,833	1,691,008	3,341,829	2,044,484
Transfers	1,541,107	2,009,729	(1,541,107)	(2,009,729)	-	-
Net increase (decrease) in net position	4,255,103	2,363,205	(913,274)	(318,721)	3,341,829	2,044,484
Net position, beginning of year	28,812,435	26,449,230	18,581,291	18,900,012	47,393,726	45,349,242
Prior period adjustment	(9,069,051)	-	(2,127,308)	-	-	-
Net position, beginning - restated	19,743,384	-	16,453,984	-	-	-
Net position, end of year	\$ 23,998,487	\$ 28,812,435	\$ 15,540,710	\$ 18,581,291	\$ 50,735,555	\$ 47,393,726

Governmental activities

The following table presents the cost of major City functional activities: general government, public safety, public works, culture and recreation, urban and economic development, natural disaster, solid waste, and debt service-interest. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

	Governmental Activities			
	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 4,070,716	\$ 1,202,674	\$ 3,398,295	\$ 2,540,670
Public safety	5,137,736	4,426,472	4,922,211	3,940,581
Public works	1,911,103	1,413,139	1,688,544	1,191,115
Culture and recreation	839,097	530,809	723,516	574,519
Urban & economic development	519,994	323,212	309,219	190,000
Solid waste	890,806	(164,901)	1,003,731	(114,902)
Debt Service - interest	195,084	195,084	208,034	208,034
Total	\$ 13,564,536	\$ 7,926,489	\$ 12,253,550	\$ 8,530,017

Business-type activities

The City's business-type activities generated a change in net position of \$(913,274). This represents a decrease of approximately \$595,000 from the previous year's change in net assets. The factors contributing to this decrease include:

- The Utilities had an increase in revenue of approximately \$125,000 over the prior year as a result of increased customer rates.
- The Utilities also had a decrease of approximately \$468,000 in transfers out over the prior year.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As the City completed the year, its governmental funds reported a combined fund balance of \$17,453,731 compared to \$9,590,180 in the previous year. Activities within the general fund contributed to 37% and 51% of the fund balances in 2015 and 2014, respectively.

General Fund Budgetary Highlights

Over the course of the year, adjustments made in the budget were minor. The changes were due to the following: 1) amendments were made shortly after the beginning of the year, 2) the Council made changes in the middle of the year to prevent shortages from the addition or extension of service contracts, or 3) Council approved several increases in appropriations to prevent budget overruns and to recognize receipt of funds not expected.

With these adjustments, the actual expenditures were \$10,355,549 compared to \$10,726,759 of the final budget. A schedule showing the original and final budget amounts compared to the City's actual financial activity for the general fund is provided in this report as a part of the basic financial statements.

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City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

Capital Asset and Debt Administration

Capital assets – The City's total capital assets for 2015 and 2014 were \$58,323,594 and \$49,972,882, respectively. The City mainly invested in infrastructure improvements for the area. The following table presents a summary of the City's net assets for the fiscal years ended September 30, 2015 and 2014:

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,131,823	\$ 2,131,823	\$ 131,117	\$ 131,117	\$ 2,262,940	\$ 2,262,940
Construction in progress	12,080,682	1,724,474	-	-	12,080,682	1,724,474
Buildings	13,840,841	13,840,841	18,566,008	18,566,008	32,406,849	32,406,849
Improvements - other	2,245,612	2,187,920	-	-	2,245,612	2,187,920
Equipment	9,582,000	9,332,311	2,936,874	3,067,426	12,518,874	12,399,737
Infrastructure	13,056,566	13,004,551	51,906,450	51,906,450	64,963,016	64,911,001
Accumulated depreciation	(19,843,361)	(18,578,443)	(48,311,018)	(47,341,596)	(68,154,379)	(65,920,039)
Total	\$ 33,094,163	\$ 23,643,477	\$ 25,229,431	\$ 26,329,405	\$ 58,323,594	\$ 49,972,882

This year's major construction projects included:

	Expended through September 30, 2015	Remaining Commitment
Governmental activities:		
Moss Point Riverwalk East	\$ 526,792	\$ 526,792
New Police Station	136,857	4,519,640
Gas system improvements	4,025,155	938,007
Griffin Street gas system	447,465	-
Sidewalks	56,910	56,910
Rose Drive Drainage	1,350,353	677,771
Energy Efficiency Project	5,502,758	8,056,937
Total governmental activities	12,046,290	14,776,057
Business-type activities	-	-
Total business-type activities	-	-
Total	\$ 12,046,290	\$ 14,776,057

City of Moss Point, Mississippi
Management's Discussion and Analysis
(Continued)

Debt Administration

At September 30, 2015, the City had \$23,945,351 in general obligation bonds and other long-term debt outstanding, of which \$966,638 is due within one year.

	Outstanding Debt at Year- End					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation bonds (backed by the City)	\$ 5,125,000	\$ 5,445,000	\$ -	\$ -	\$ 5,125,000	\$ 5,445,000
Revenue bonds and notes (backed by specific tax and fee revenues)	140,719	167,002	4,345,994	4,705,116	4,486,713	4,872,118
Capital leases	13,745,776	171,768	301,613	414,674	14,047,389	586,442
Compensated absences	232,669	196,633	53,580	41,744	286,249	238,377
Total	<u>\$ 19,244,164</u>	<u>\$ 5,980,403</u>	<u>\$ 4,701,187</u>	<u>\$ 5,161,534</u>	<u>\$ 23,945,351</u>	<u>\$ 11,141,937</u>

More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates and fees to be charged for business-type activities. The local economy is still recovering from the loss of several major industries and revenues due to Hurricane Katrina. The City believes that prospects for new industries are improving.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Clerk's Office at 4320 McInnis Avenue, Moss Point, Mississippi.

Basic Financial Statements

City of Moss Point, Mississippi
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 11,002,203	\$ 1,896,867	\$ 12,899,070
Restricted cash and cash equivalents	-	554,796	554,796
Receivables, net	2,435,467	1,285,703	3,721,170
Internal balances	6,003,136	(6,003,136)	-
Inventories	-	39,231	39,231
Prepaid expenses	77,574	19,513	97,087
Capital assets			
Land and construction in progress	14,212,505	5,428,432	19,640,937
Other (net of accumulated depreciation)	18,881,658	19,800,999	38,682,657
Total capital assets	<u>33,094,163</u>	<u>25,229,431</u>	<u>58,323,594</u>
Total assets	<u>52,612,543</u>	<u>23,022,405</u>	<u>75,634,948</u>
Deferred Outflows of Resources			
Deferred outflows on pension liability	978,234	228,668	1,206,902
Total deferred outflows of resources	<u>978,234</u>	<u>228,668</u>	<u>1,206,902</u>
Liabilities			
Accounts payable and accrued expenses	559,025	160,103	719,128
Deferred revenues	3,709	-	3,709
Customer deposits payable from restricted assets	4,525	554,796	559,321
Noncurrent liabilities			
Due within one year:			
Bonds, capital leases and notes payable	564,965	401,673	966,638
Compensated absences	58,167	13,395	71,562
Due in more than one year:			
Proportionate share of collective net pension liability	8,542,560	2,003,810	10,546,370
Bonds, capital leases and notes payable	18,446,530	4,245,934	22,692,464
Compensated absences	174,502	40,185	214,687
Total liabilities	<u>28,353,983</u>	<u>7,419,896</u>	<u>35,773,879</u>
Deferred Inflows of Resources			
Deferred inflows on pension liability	1,238,307	290,467	1,528,774
Total deferred inflows of resources	<u>1,238,307</u>	<u>290,467</u>	<u>1,528,774</u>
Net position			
Invested in capital assets, net of related debt	14,082,668	20,581,824	34,664,492
Restricted for:			
Other purposes	-	554,796	554,796
Unrestricted	9,915,819	(5,595,910)	4,319,909
Total net position	<u>\$ 23,998,487</u>	<u>\$ 15,540,710</u>	<u>\$ 39,539,197</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Activities
For the Fiscal Year Ended September 30, 2015

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Governmental activities						
General government	\$ 4,070,716	\$ 81,638	\$ 198,878	\$ 2,587,526	\$ (1,202,674)	\$ (1,202,674)
Culture and recreation	839,097	148,871	-	159,417	(530,809)	(530,809)
Public safety	5,137,736	445,715	139,640	125,909	(4,426,472)	(4,426,472)
Public works	1,911,103	-	497,964	-	(1,413,139)	(1,413,139)
Urban and economic development	519,994	-	196,782	-	(323,212)	(323,212)
Solid Waste	890,806	1,055,707	-	-	164,901	164,901
Interest and other, long-term debt	195,084	-	-	-	(195,084)	(195,084)
Total governmental activities	13,564,536	1,731,931	1,033,264	2,872,852	(7,926,489)	(7,926,489)
Business-type activities						
Water and sewer	8,070,036	8,646,734	-	-	576,698	576,698
Total business-type activities	8,070,036	8,646,734	-	-	576,698	576,698
Total primary government	\$ 21,634,572	\$ 10,378,665	\$ 1,033,264	\$ 2,872,852	(7,926,489)	(7,349,791)
General revenues						
Property taxes, levied for general purposes					4,257,217	4,257,217
Property taxes, levied for other purposes					593,476	593,476
Sales taxes					1,887,236	1,887,236
Franchise and utility taxes					1,004,508	1,004,508
Other taxes					780,690	829,681
Unrestricted investment earnings					17,601	17,601
Miscellaneous					2,099,757	2,144
Transfers					1,541,107	(1,541,107)
Total general revenues and transfers					12,181,592	(1,489,972)
Change in net position					4,255,103	(913,274)
Net position - beginning of period					28,812,435	18,581,292
Prior period adjustment					(9,069,051)	(2,127,308)
Net position, beginning - as restated					19,743,384	16,453,984
Net position - end of period					\$ 23,998,487	\$ 15,540,710

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Balance Sheet
Governmental Funds
September 30, 2015

	General Fund	Federal Grants Fund	Energy Efficiency Program	Other Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ (2,164,907)	\$ (1,488,778)	\$ 8,056,937	\$ 6,591,114	\$ 10,994,366
Accounts receivable, net	804,028	-	-	154,293	958,321
Due from other City funds	10,179,674	-	-	1,340,704	11,520,378
Prepays	77,320	-	-	654	77,974
Total assets	<u>\$ 8,896,115</u>	<u>\$ (1,488,778)</u>	<u>\$ 8,056,937</u>	<u>\$ 8,086,765</u>	<u>\$ 23,551,039</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable					
accrued liabilities	\$ 366,050	\$ 81,497	\$ -	\$ 132,520	\$ 580,067
Due to other City funds	2,113,372	1,802	-	3,402,067	5,517,241
Total liabilities	<u>2,479,422</u>	<u>83,299</u>	<u>-</u>	<u>3,534,587</u>	<u>6,097,308</u>
Fund balances					
Nonspendable					
Prepays	77,320	-	-	654	77,974
Restricted for debt service	-	-	-	1,775,673	1,775,673
Committed for capital improvements	-	-	8,056,937	1,930,805	9,987,742
Unassigned	6,339,373	(1,572,077)	-	845,046	5,612,342
Total fund balances	<u>6,416,693</u>	<u>(1,572,077)</u>	<u>8,056,937</u>	<u>4,552,178</u>	<u>17,453,731</u>
Total liabilities and fund balances	<u>\$ 8,896,115</u>	<u>\$ (1,488,778)</u>	<u>\$ 8,056,937</u>	<u>\$ 8,086,765</u>	<u>\$ 23,551,039</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2015

Total fund balances of governmental funds in the balance sheet, page 13		\$ 17,453,731
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		33,094,163
Proportionate share of collective net pension liability		(8,542,560)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows of resources related to pensions	978,234	
Deferred inflows of resources related to pensions	(1,238,307)	<u>(260,073)</u>
Some receivables are not considered available to pay liabilities of the current period.		1,497,390
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes	(19,011,495)	
Compensated absences	<u>(232,669)</u>	<u>(19,244,164)</u>
Net assets of governmental activities, page 11		<u><u>\$ 23,998,487</u></u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2015

	General Fund	Federal Grants Fund	Energy Efficiency Program	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 4,257,217	\$ -	\$ -	\$ 593,476	\$ 4,850,693
Franchise taxes	1,004,507	-	-	-	1,004,507
Sales and miscellaneous taxes	1,923,757	-	-	292,712	2,216,469
Licenses and permits	67,314	-	-	-	67,314
Fees and fines	492,497	-	-	-	492,497
Intergovernmental	721,000	2,471,174	-	553,509	3,745,683
Charges for services	-	-	-	144,169	144,169
Investment earnings	7,700	-	5,195	4,705	17,600
Contribution in aid	15,542	-	-	-	15,542
Other	458,909	-	-	2,277,952	2,736,861
Total revenues	<u>8,948,443</u>	<u>2,471,174</u>	<u>5,195</u>	<u>3,866,523</u>	<u>15,291,335</u>
Expenditures					
Current					
General government	2,369,250	-	-	-	2,369,250
Public safety	5,173,777	-	-	220,576	5,394,353
Public works	1,576,823	-	-	228,460	1,805,283
Cultural and recreation	499,221	-	-	402,573	901,794
Urban and economic development	3,351	-	-	264,725	268,076
Solid waste	890,806	-	-	-	890,806
Debt service					
Principal	-	-	-	610,842	610,842
Interest and other charges	-	-	-	426,731	426,731
Capital outlay	136,239	3,634,290	5,502,758	1,622,674	10,895,961
Total expenditures	<u>10,649,467</u>	<u>3,634,290</u>	<u>5,502,758</u>	<u>3,776,581</u>	<u>23,563,096</u>
Excess (deficiency) of revenues over expenditures	<u>(1,701,024)</u>	<u>(1,163,116)</u>	<u>(5,497,563)</u>	<u>89,942</u>	<u>(8,271,761)</u>
Other financing sources (uses)					
Issuance of note	-	-	13,554,500	-	13,554,500
Transfers in	2,580,813	-	-	25,968	2,606,781
Transfers out	-	-	-	(25,968)	(25,968)
Total other financing sources (uses)	<u>2,580,813</u>	<u>-</u>	<u>13,554,500</u>	<u>-</u>	<u>16,135,313</u>
Net change in fund balance	879,789	(1,163,116)	8,056,937	89,942	7,863,552
Fund balances, beginning of year	5,536,904	(408,961)	-	4,462,236	9,590,179
Fund balances, end of year	<u>\$ 6,416,693</u>	<u>\$ (1,572,077)</u>	<u>\$ 8,056,937</u>	<u>\$ 4,552,178</u>	<u>\$ 17,453,731</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Fiscal Year Ended September 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances of governmental funds, page 15	\$ 7,863,552
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	10,633,689	
Less current year depreciation	(1,264,918)	9,368,771

The issuance of long-term debt (bonds payable) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of borrowed principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which repayments exceed proceeds.

Bond and loan proceeds	(13,554,500)	
Lease payments	62,406	
Principal payments	<u>346,283</u>	(13,145,811)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Court fines	(61,791)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension expenditure	266,418	
Compensated absences	<u>(36,036)</u>	

Change in net assets of governmental activities, page 12	<u>\$ 4,255,103</u>
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The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budget Basis
General Fund

For the Fiscal Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 6,819,940	\$ 6,819,940	\$ 6,652,172	\$ (167,768)
Licenses and permits	76,200	76,200	71,489	(4,711)
Intergovernmental	647,200	647,200	676,405	29,205
Fines and forfeitures	503,600	503,600	492,497	(11,103)
Other	118,500	118,500	102,188	(16,312)
Total revenues	<u>8,165,440</u>	<u>8,165,440</u>	<u>7,994,751</u>	<u>(170,689)</u>
Expenditures				
General Government				
Personnel services	941,049	941,049	870,227	70,822
Supplies and other charges	744,705	744,705	790,989	(46,284)
Capital outlay	10,500	10,500	6,672	3,828
Total	<u>1,696,254</u>	<u>1,696,254</u>	<u>1,667,888</u>	<u>28,366</u>
Police				
Personnel services	2,337,826	2,337,826	2,187,764	150,062
Supplies and other charges	557,174	557,174	606,274	(49,100)
Capital outlay	8,400	8,400	6,708	1,692
Total	<u>2,903,400</u>	<u>2,903,400</u>	<u>2,800,746</u>	<u>102,654</u>
Fire				
Personnel services	2,192,992	2,192,992	1,979,821	213,171
Supplies and other charges	254,300	254,300	298,915	(44,615)
Capital outlay	36,600	36,600	36,528	72
Total	<u>2,483,892</u>	<u>2,483,892</u>	<u>2,315,264</u>	<u>168,628</u>
Economic Development & Public Relations				
Personnel services	-	-	-	-
Supplies and other charges	-	-	5,597	(5,597)
Total	<u>-</u>	<u>-</u>	<u>5,597</u>	<u>(5,597)</u>
Sanitation				
Supplies and other charges	891,000	891,000	890,806	194
Total	<u>891,000</u>	<u>891,000</u>	<u>890,806</u>	<u>194</u>
Culture & Recreation				
Personnel services	188,587	188,587	178,243	10,344
Supplies and other charges	102,050	102,050	109,894	(7,844)
Capital outlay	98,700	98,700	108,798	(10,098)
Total	<u>389,337</u>	<u>389,337</u>	<u>396,935</u>	<u>(7,598)</u>

Continued on next page

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended September 30, 2015
(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Judicial Department				
Personnel services	175,086	175,086	147,604	27,482
Supplies and other charges	5,200	5,200	8,630	(3,430)
Total	<u>180,286</u>	<u>180,286</u>	<u>156,234</u>	<u>24,052</u>
Inspection Department				
Personnel services	197,226	197,226	179,646	17,580
Supplies and other charges	50,800	50,800	49,301	1,499
Total	<u>248,026</u>	<u>248,026</u>	<u>228,947</u>	<u>19,079</u>
Maintenance Department				
Personnel services	321,311	321,311	299,045	22,266
Supplies and other charges	126,500	126,500	154,386	(27,886)
Capital outlay	-	-	-	-
Total	<u>447,811</u>	<u>447,811</u>	<u>453,431</u>	<u>(5,620)</u>
Street Department				
Personnel services	116,755	116,755	96,437	20,318
Supplies and other charges	372,800	372,800	345,334	27,466
Capital outlay	362,200	362,200	437,187	(74,987)
Total	<u>851,755</u>	<u>851,755</u>	<u>878,958</u>	<u>(27,203)</u>
Data Processing				
Supplies and other charges	81,500	81,500	68,969	12,531
Capital outlay	120,000	120,000	86,743	33,257
Total	<u>201,500</u>	<u>201,500</u>	<u>155,712</u>	<u>45,788</u>
Safety & Human Resources				
Personnel services	169,312	169,312	159,261	10,051
Supplies and other charges	19,500	19,500	21,361	(1,861)
Total	<u>188,812</u>	<u>188,812</u>	<u>180,622</u>	<u>8,190</u>
Community Development				
Personnel services	127,736	127,736	117,566	10,170
Supplies and other charges	9,350	9,350	7,216	2,134
Total	<u>137,086</u>	<u>137,086</u>	<u>124,782</u>	<u>12,304</u>
Pelican Landing				
Personnel services	-	-	-	-
Supplies and other charges	107,600	107,600	99,627	7,973
Total	<u>107,600</u>	<u>107,600</u>	<u>99,627</u>	<u>7,973</u>
Total expenditures	<u>10,726,759</u>	<u>10,726,759</u>	<u>10,355,549</u>	<u>371,210</u>
Excess (deficiency) of revenues over expenditures	<u>(2,561,319)</u>	<u>(2,561,319)</u>	<u>(2,360,798)</u>	<u>541,899</u>
Other financing sources (uses)				
Transfers in	2,616,606	2,616,606	2,588,937	(27,669)
Total other financing sources (uses)	<u>2,616,606</u>	<u>2,616,606</u>	<u>2,588,937</u>	<u>(27,669)</u>
Net change in fund balances	55,287	55,287	228,139	514,230
Fund balances, beginning of year	838,036	838,036	838,036	880,135
Fund balances, end of year	<u>\$ 893,323</u>	<u>\$ 893,323</u>	<u>\$ 1,066,175</u>	<u>\$ 1,394,365</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business-Type Activities-Enterprise Funds		
	Major Funds		
	Moss Point Public Utility Fund	Escatawpa Utility District	Total Enterprise Funds
Assets			
Current assets:			
Cash	\$ 1,339,802	\$ 557,066	\$ 1,896,868
Restricted cash	385,573	169,223	554,796
Receivables:			
Customer accounts, net	984,028	324,501	1,308,529
Other	(20,915)	(1,911)	(22,826)
Due from other City funds	3,611,664	2,561,472	6,173,136
Gas inventory	38,533	698	39,231
Prepays	15,244	4,270	19,514
Total current assets	<u>6,353,929</u>	<u>3,615,319</u>	<u>9,969,248</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>19,316,570</u>	<u>5,912,862</u>	<u>25,229,432</u>
Total noncurrent assets	<u>19,316,570</u>	<u>5,912,862</u>	<u>25,229,432</u>
Deferred Outflows of Resources:			
Deferred outflows on pension liability	<u>188,287</u>	<u>40,381</u>	<u>228,668</u>
Total assets	<u>25,858,786</u>	<u>9,568,562</u>	<u>35,427,348</u>
Liabilities			
Current liabilities:			
Accounts payable	131,657	28,449	160,106
Customer deposits payable from restricted assets	385,573	169,223	554,796
Current portion of bond and notes	235,023	166,650	401,673
Compensated absences	13,050	345	13,395
Due to other City funds	7,075,531	5,100,742	12,176,273
Total current liabilities	<u>7,840,834</u>	<u>5,465,409</u>	<u>13,306,243</u>
Non-current liabilities:			
Proportionate share of collective net pension liability	1,687,419	316,391	2,003,810
Notes payable, non-current	3,844,451	401,483	4,245,934
Compensated absences	39,149	1,036	40,185
Total non-current liabilities	<u>5,571,019</u>	<u>718,910</u>	<u>6,289,929</u>
Deferred Inflows of Resources			
Deferred inflows on pension liability	<u>244,604</u>	<u>45,863</u>	<u>290,467</u>
Total liabilities	<u>13,656,457</u>	<u>6,230,182</u>	<u>19,886,639</u>
Net position			
Invested in capital assets, net of related debt	15,237,096	5,344,729	20,581,825
Unrestricted	(3,034,767)	(2,006,349)	(5,041,116)
Total net position	<u>\$ 12,202,329</u>	<u>\$ 3,338,380</u>	<u>\$ 15,540,709</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2015

	Business-Type Activities-Enterprise Funds		
	Major Funds		
	Moss Point Public Utility Fund	Escatawpa Utility District	Total Enterprise Funds
Operating Revenues			
Charges for services:			
Water sales, sewer revenues			
penalties & installations, net	\$ 6,104,685	\$ 2,542,049	\$ 8,646,734
Other income	-	51,135	51,135
Total operating revenues	<u>6,104,685</u>	<u>2,593,184</u>	<u>8,697,869</u>
Operating expenses			
Personal services	1,162,605	244,794	1,407,399
Supplies and materials	718,029	443,437	1,161,466
Contractual services	1,940,766	1,056,950	2,997,716
Other supplies and expenses	86,013	4,183	90,196
Repairs and maintenance	412,136	53,678	465,814
Insurance claims and expenses	152,386	18,060	170,446
Utilities	628,163	58,779	686,942
Depreciation	761,473	240,587	1,002,060
Total operating expenses	<u>5,861,571</u>	<u>2,120,468</u>	<u>7,982,039</u>
Operating income (loss)	<u>243,114</u>	<u>472,716</u>	<u>715,830</u>
Non-operating revenues (expenses)			
Interest expense	(58,776)	(29,221)	(87,997)
Total non-operating revenues (expenses)	<u>(58,776)</u>	<u>(29,221)</u>	<u>(87,997)</u>
Income before contributions and transfers	184,338	443,495	627,833
Transfers in (out)	<u>(890,284)</u>	<u>(650,823)</u>	<u>(1,541,107)</u>
Change in net position	(705,946)	(207,328)	(913,274)
Net position, beginning of year	14,699,692	3,881,600	18,581,292
Prior period adjustment	<u>(1,791,417)</u>	<u>(335,891)</u>	<u>(2,127,308)</u>
Net position, beginning - as restated	12,908,275	3,545,709	16,453,984
Net position, end of year	<u>\$ 12,202,329</u>	<u>\$ 3,338,381</u>	<u>\$ 15,540,710</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2015

	Business-Type Activities-Enterprise Funds		
	Major Funds		
	Moss Point Public Utility Fund	Escatawpa Utility District	Total Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 6,118,519	\$ 2,582,938	\$ 8,701,457
Receipts from interfund services provided			
Payments to suppliers	(4,053,331)	(1,668,620)	(5,721,951)
Payments for services of employees	(1,147,802)	(247,761)	(1,395,563)
Net cash provided by (used in) operating activities	<u>917,386</u>	<u>666,557</u>	<u>1,583,943</u>
Cash flows from non-capital financing activities			
Loans (to) from other funds	448,345	162,309	610,654
Transfers (to) from other funds	(890,284)	(650,823)	(1,541,107)
Net cash provided by (used in) non-capital financing activities	<u>(441,939)</u>	<u>(488,514)</u>	<u>(930,453)</u>
Cash flows from capital and related financing activities			
Retirement of debt	(216,811)	(173,458)	(390,269)
Interest paid on debt	(58,776)	(29,221)	(87,997)
Net cash provided by (used in) capital and related financing activities	<u>(275,587)</u>	<u>(202,679)</u>	<u>(478,266)</u>
Net increase (decrease) in cash and cash equivalents	199,860	(24,636)	175,224
Cash and cash equivalents, beginning of period	<u>1,525,515</u>	<u>750,925</u>	<u>2,276,440</u>
Cash and cash equivalents, end of period	<u>\$ 1,725,375</u>	<u>\$ 726,289</u>	<u>\$ 2,451,664</u>
Classified as:			
Current assets	\$ 1,339,802	\$ 557,066	\$ 1,896,868
Restricted assets	385,573	169,223	554,796
Totals	<u>\$ 1,725,375</u>	<u>\$ 726,289</u>	<u>\$ 2,451,664</u>

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The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2015
(Continued)

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Moss Point Public Utility Fund</u>	<u>Escatawpa Utility District</u>	<u>Total Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 243,114	\$ 472,716	\$ 715,830
Adjustments not affecting cash			
Depreciation	761,473	240,587	1,002,060
Changes in assets and liabilities:			
Accounts receivable	10,664	(11,651)	(987)
Gas inventory	50,726	34,318	85,044
Prepays	1,985	(603)	1,382
Accounts payable and accrued expenses	(153,746)	(70,215)	(223,961)
Customer deposits	3,170	1,405	4,575
Net cash provided by (used in) operating activities	<u>\$ 917,386</u>	<u>\$ 666,557</u>	<u>\$ 1,583,943</u>

The accompanying notes are an integral part of the financial statements.

City of Moss Point, Mississippi
Statement of Net Position
Fiduciary Funds
 September 30, 2015

	Tax Collector's Fund
Assets	
Cash and cash equivalents	\$ 304,629
Accounts receivable, net	56,413
Total assets	361,042
Liabilities	
Accounts payable and accrued liabilities	87,373
Due to other agencies	273,669
Total liabilities	361,042
Net Position	\$ -

The accompanying notes are an integral part of the financial statements.

City of Moss Point
Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

The City of Moss Point, Mississippi was incorporated on May 17, 1901, under the laws of the State of Mississippi. The City operates under a Mayor-Alderman/Alderwoman form of government and provides the following services: public safety (police and fire), public works (highways, streets and sanitation), culture and recreation, community development, public utilities (water, gas and sewage) and general administration services.

The City's reporting entity applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. As required by GAAP, these financial statements present the City of Moss Point (the primary government) only.

A. Reporting Entity

The criteria for including component units consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Moss Point Municipal Separate School District has been excluded from the reporting entity, because it is an "other stand-alone government". The School District is a related organization of, but not a component unit of the City of Moss Point. The governing authorities of the City do select a majority of the School District's Board, but do not have ongoing financial accountability for the School District.

In addition, management has determined that the City is related to the Jackson County Utility Authority through the existence of a joint venture arrangement. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs; risks and rewards of providing goods or services to the venture participants directly, or for the benefit of the general public or specific service recipients.

Finally, management has identified one jointly governed organization, the Jackson-George Regional Library System. A jointly governed organization is similar in nature to a joint venture in that it provides goods and services to the citizens of two or more governments. However, it does not meet the definition of a joint venture because there is no ongoing significant financial interest or responsibility by the participating governments.

City of Moss Point
Notes to the Financial Statements
(Continued)

B. Basic Financial Statements

Government-Wide and Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government-wide financial statements, including the *statement of net position* and the *statement of activities*, report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely extensively on fees and charges for support. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers 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 revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., measurable and available to pay liabilities of the current period. *Available* means collectible

City of Moss Point
Notes to the Financial Statements
(Continued)

within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recognized when the related fund liability is incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences, which are recognized when due.

Year-end accruals of ad valorem taxes, sales taxes, and franchise fees are based upon actual collections of amounts remitted to the City within 60 days of year end. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable.

Other licenses and permits, charges for services, fines and penalties, and miscellaneous revenues are recorded as revenues when they are received as they are generally not measurable until actually received; however, charges for services which are measurable are recorded as revenue in the period earned.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33 the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient.

The financial transactions of the City are recorded in the individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets liabilities, reserves, fund equity, revenues and expenditures / expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal operations. The principal operating revenues of the utility funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted first, then the unrestricted resources as they are needed.

City of Moss Point
Notes to the Financial Statements
(Continued)

D. Fund Types and Major Funds

Governmental Funds

Governmental funds are those funds through which the City finances most of its municipal services and are accounted for on the basis of a spending measurement focus. The focus on governmental funds is on the determination of changes in financial position rather than upon net income determination. The City's governmental funds are as follows:

General Fund

The General Fund is the City's primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in a separate fund.

Other Non-Major Governmental Funds is a summarization of all of the non-major governmental funds including:

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

Fiduciary Funds are those funds used by the City to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Proprietary Fund Types

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net assets, financial position, and cash flows which is similar to businesses. The following is a description of the Proprietary Funds of the City:

Proprietary Fund

Proprietary Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

City of Moss Point
Notes to the Financial Statements
(Continued)

E. Assets, Liabilities and Net Assets or Equity

Cash and Cash Equivalents

The City considers cash on hand, cash with fiscal agents, demand deposit, certificates of deposit and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.

Investments

Investments, if any, are stated at fair value.

Accounts Receivable

Accounts receivable are recorded in the Governmental and Business-type Funds. Where appropriate, an associated allowance for doubtful accounts has been established in the related fund. Estimated unbilled revenues from the Public Utility Funds are recognized at the end of each fiscal year on a pro-rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

Inventories and Prepaids

Governmental and Proprietary Fund inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed. Prepaids consist of premiums paid on insurance policies extending beyond year end.

Capital Assets

Capital assets, including land, buildings, improvements other than buildings, infrastructure (i.e., roads, bridges, street lighting and other similar items) and equipment are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The City's capitalization levels are as follows: purchased assets costing more than \$5,000 are capitalized; building renovations are capitalized when their cost exceeds 25% of the building's previously capitalized cost and if the repair extends the building's estimated useful life; contributed fixed assets are capitalized and recorded at the estimated market value at the time of the contribution. Assets acquired using capital lease obligations are treated in the same manner as purchased fixed assets.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	40-50 years
Infrastructure	20-60 years
Equipment	5-15 years

City of Moss Point
Notes to the Financial Statements
(Continued)

Compensated Absences

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. For Proprietary Funds and the Government-wide Statements, the current portion is the amount estimated to be used in the following year. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) or long term portion for governmental funds is maintained separately and represents a reconciling item between the fund level and government-wide presentations.

Interfund Transactions

Numerous interfund transactions occur during the normal course of operations of the City. Disbursements made by one fund which are properly chargeable to another fund result in the creation of interfund receivables and payables. This type of transaction is normally settled by a cash transfer between the funds. All other interfund transactions are accounted for as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide columnar presentation. Any residual balances outstanding between governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to Other Funds

Various funds have made short-term advances to other funds. These advances, shown as "Due From Other Funds", are temporary in nature, bear no interest, and are considered "available spendable resources". Long-term advances, if any, are those for which the timing of repayment is uncertain: thus, an allocable portion of fund balance would be reserved in governmental funds.

Bond Discounts, Bond Premiums, and Issuance Costs

In governmental funds, bond discounts, bond premiums and issuance costs are treated as period costs in the year of issue and are shown as "Other Financing Sources (Uses)".

In proprietary funds (and for governmental activities, in government-wide statements) bond discounts, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the revenue bonds payable, whereas issuance costs are recorded as other assets.

Historically, the City's bond discount/premiums and issuance cost have not been material.

Deferred Revenue

In the governmental funds, certain revenue transactions have been reported as deferred revenue. Revenue can not be recognized until it has been earned and it becomes available to finance expenditures of the current fiscal period.

In proprietary funds (and for governmental activities in the Government-wide statements) deferred revenue is reported for unearned revenue, regardless of its availability.

City of Moss Point
Notes to the Financial Statements
(Continued)

Fund Balance

Beginning with fiscal year 2011, the City implemented, the Governmental Accounting Standards Board (GASB) approved Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (Statement). This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the related strength of spending constraints:

Nonspendable fund balance — amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance — amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance — amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.

Unassigned fund balance — amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the City's governmental funds have been restated to reflect the above classifications.

The Board of Aldermen (Board) establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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City of Moss Point
Notes to the Financial Statements
(Continued)

F. New Accounting Pronouncement

During the fiscal year 2015 the City implemented the following GASB pronouncements:

In June 2012, GASB issued Statement No. 68: The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014.

In November 2013, the GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". This statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

City of Moss Point
Notes to the Financial Statements
(Continued)

Note 2 – Stewardship, Compliance and Accountability:

A. Budgetary Data

The procedures used by the City in establishing the budgetary data reflected in the combined financial statements are as follows:

1. Prior to October 1, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings were conducted to obtain taxpayer comments.
3. Not later than September 15, the budget is legally enacted through passage of a resolution.
4. The Board of Aldermen formally adopts an annual operating budget for the General Fund at the “department level” and for special revenue, debt service and capital projects fund types at the “fund type level”. State statutes prohibit the governing authority from expending amounts in excess of the adopted or amended budget. Formal budgetary integration at the “account level” is employed by management for expenditure control purposes. Management may reallocate budget amounts between expenditure accounts within each General Fund department but may not exceed the total expenditure limit set for each General Fund department nor the total expenditures level for other fund types. The Board of Aldermen may amend the budget during the fiscal year, by resolution, to reallocate resources.
5. Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are adopted in accordance with provisions of the State Auditor's Office and not on a basis consistent with accounting principles generally accepted in the United States of America. For budgetary purposes, certain revenues from property taxes, interest on investments, and certain other sources are recognized when received in cash and unexpended appropriations lapse thirty days after the end of the fiscal year. Expenditures may not legally exceed budgeted appropriations and any existing fund balance at the various fund or fund type levels. Budget amounts are as originally adopted, or as amended by the Board of Aldermen. Budget amendments are made throughout the year (prior to July) as reallocations of funds are necessary or as circumstances dictate.

Since accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of timing differences in the excess (deficiency) of revenues and other sources over expenditures and other uses for the year ended September 30, 2015 is as follows:

City of Moss Point
Notes to the Financial Statements
(Continued)

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ 228,139
Adjustments	
To convert receivables	575,344
To convert prepaids	46,755
To convert liabilities	29,551
Totals, GAAP basis	\$ 879,789

B. Deficit Fund Equity

The following governmental funds are reporting liabilities in excess of assets resulting in deficit fund equity:

Community Development Block Grant Fund	\$ 268,592
Moss Point Library Project Fund	2,012
Home Program Grant Fund	518
AmeriCorps Program	5,466
Federal Disaster Assistance Fund	1,262,474
Capital Improvement Fund	271,731
Hurricane Relief Grant Fund	1,066
Hazard Mitigation Program Fund	83,413
E.U.D. Sewer System Rehab Phase III Fund	5,146
Federal Grants Fund	1,572,077

Note 3 – Property Tax Revenue

The City levies a tax on real and personal property based on the assessed value of property as compiled by the Jackson County Tax Assessor. The taxes on real and personal property attach as an enforceable lien on the property as of January 1 of each year. Taxes on real and personal property are levied by the Board of Aldermen at the first regular meeting in September. The City bills and collects its own property taxes and also bills and collects taxes for the Moss Point Municipal Separate School District. Taxes for the Moss Point Municipal Separate School District are also billed and collected by the county and remitted to the schools through the City.

In accordance with the Mississippi Code of 1972, as amended, the Board of Aldermen may levy taxes in any amount for general revenue purposes and general improvements. However, taxes for any assessment year may not exceed one hundred ten percent (110%) of the taxes collected for the prior assessment year. For purposes of the computation, taxes collected in the current year resulting from property added to the tax assessment roll are excluded from the computation. In addition, the Board of Aldermen may levy additional taxes for specific purposes, such as culture and recreation, as authorized by law.

City of Moss Point
Notes to the Financial Statements
(Continued)

The tax levies for the calendar years 2015, 2014 and 2013 (taxes collected in the fiscal years ending September 30, 2016, September 30, 2015 and September 30, 2014) are as follows:

	September 30,		
	<u>2016 Millage</u>	<u>2015 Millage</u>	<u>2014 Millage</u>
City Funds			
General Fund	47.27	43.19	43.19
Special revenue funds:			
Library Fund	1.50	1.50	1.50
Fire Protection Fund	.25	.25	.25
Advertising	.25	.25	.25
General Debt Service Fund	<u>4.88</u>	<u>4.88</u>	<u>4.88</u>
Total City administered funds	<u>54.15</u>	<u>50.07</u>	<u>50.07</u>
School Funds			
District maintenance	53.35	57.20	57.61
School note redemption	<u>4.89</u>	<u>5.12</u>	<u>4.21</u>
Total School administered funds	<u>58.24</u>	<u>62.32</u>	<u>61.82</u>
Total levy	<u>112.39</u>	<u>112.39</u>	<u>111.89</u>

Note 4 – Deposits and Investments

The City deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes. Furthermore, the City invests excess funds in various investment instruments that are allowed by statutes. Various restrictions on deposits and investments are imposed by statutes. Deposits are summarized below.

Deposits

Deposits consist of cash amounts in demand accounts and certificates of deposit. The collateral for public entities' deposits in financial institutions is now 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 a 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. By using this multiple financial institution collateral pool, all of the City's deposits at September 30, 2015 fall into the credit risk category of "*Insured or collateralized with securities held by the entity or by its agent in the entity's name*". Deposits including certificates of deposit are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental funds	\$ 11,002,203	\$ -	\$ 11,002,203
Proprietary funds	<u>1,896,867</u>	<u>554,796</u>	<u>2,451,663</u>
Totals	<u>\$ 12,899,070</u>	<u>\$ 554,796</u>	<u>\$ 13,453,866</u>

The City's bank balance at September 30, 2015, as reported by the various financial institutions, was \$14,297,039.

City of Moss Point
Notes to the Financial Statements
(Continued)

Note 5 – Restricted Assets

Restricted assets of \$554,796 at September 30, 2015, consist of the following:

Cash on deposit	\$ 554,796
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The above assets are restricted for the purpose of holding water and gas meter customer deposits.

Note 6 – Receivables

The Statement of Net Assets of the City of Moss Point includes the following receivables at September 30, 2015:

Taxes receivable:

Franchise taxes	\$ 315,060
Ad valorem taxes	252,828
Total taxes receivable	<u>\$ 567,888</u>

Customer accounts receivable:

Public utility charges	\$ 1,875,531
Less allowance for doubtful accounts	(589,828)
Total customer accounts receivable, net	<u>\$ 1,285,703</u>

Grants receivable:

Federal and state grants	<u>\$ 421,963</u>
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Other receivables:

Police court fines	\$ 10,464,584
Less allowance for doubtful accounts	(9,018,968)
Total police court fines receivable, net	<u>\$ 1,445,616</u>

Note 7 – Prepaids

Prepaids at September 30, 2015 consist of the following:

Governmental:

Prepaid insurance premiums	\$ 77,574
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Proprietary:

Prepaid insurance premiums	19,513
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Total prepaids	<u>\$ 97,087</u>
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City of Moss Point
Notes to the Financial Statements
(Continued)

Note 8 – Interfund Receivables and Payables

Individual fund receivables and payables at September 30, 2015 were as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 10,179,674	\$ 2,113,372
Special Revenue Funds:		
Fire Protection Fund	47,381	-
Library Fund	142	5,089
Municipalities Crime Prevention Grant Fund	3,968	-
Tidelands Grant Fund	900	17,216
Economic Development Resources Fund	251,255	67,993
Pelican Landing Operating Fund	41,479	65,565
Community Development Block Grant Fund	13,011	278,513
Federal Seized Asset Fund	19,622	3,731
Moss Point Library Project Fund	-	2,070
Home Program Grant Fund	-	2,000
Special Grants Fund	-	629
CDBG Disaster Supplemental Fund	142,871	106,875
Federal Grants Fund	-	1,802
Debt Service Funds:		
General Bond and Interest Retirement Fund	126,947	103,335
School Bond and Interest Retirement Fund	-	16,282
1993 General Obligation Bond and Interest Retirement	-	83
2013 G.O. Bond Fund	1,140	-
2010 Public Improvement Bond Fund	5,990	-
Capital Projects Funds:		
1998 General Obligation Bond Fund	98,346	109,891
1998 General Obligation Street Bond Fund	111,561	4,202
Redevelopment Authority Fund	-	600
Natural Disaster Fund	219,670	14,100
Post Office Project Fund	-	5,573
Federal Disaster Assistance Fund	33,255	1,888,811
Capital Improvement Fund	-	271,731
Pelican Landing Project Fund	41,907	-
Hazard Mitigation Program	129,020	212,532
USRDA Self Help Grant	542	-
DEQ Gulf Region Disaster Recovery	51,697	41,913
EUD Capital Projects	-	11,797
Capital Projects Fund	-	171,536
Total City funds	11,520,378	5,517,241
Proprietary Funds:		
Moss Point Public Utility Fund	3,611,664	7,075,531
Escatawpa Utility District	2,561,472	5,100,742
Total Public Utility Funds	6,173,136	12,176,273
Totals	\$ 17,693,514	\$ 17,693,514

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City of Moss Point
Notes to the Financial Statements
(Continued)

Note 9 – Capital Asset Activity

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 2,131,823	\$ -	\$ -	\$ 2,131,823
Construction in progress	1,724,474	10,408,223	52,015	12,080,682
Total capital assets not being depreciated	<u>3,856,297</u>	<u>10,408,223</u>	<u>52,015</u>	<u>14,212,505</u>
Capital assets being depreciated				
Buildings	13,840,841	-	-	13,840,841
Improvements other than buildings	2,187,920	57,692	-	2,245,612
Machinery and equipment	9,332,311	249,689	-	9,582,000
Infrastructure - streets and drainage	13,004,551	52,015	-	13,056,566
Total capital assets being depreciated	<u>38,365,623</u>	<u>359,396</u>	<u>-</u>	<u>38,725,019</u>
Less accumulated depreciation for:				
Buildings	(4,322,554)	(330,403)	-	(4,652,957)
Improvements other than buildings	(331,602)	(111,942)	-	(443,544)
Machinery and equipment	(7,364,823)	(470,931)	-	(7,835,754)
Infrastructure - streets and drainage	(6,559,464)	(351,642)	-	(6,911,106)
Total accumulated depreciation	<u>(18,578,443)</u>	<u>(1,264,918)</u>	<u>-</u>	<u>(19,843,361)</u>
Net capital assets being depreciated	<u>19,787,180</u>	<u>(905,522)</u>	<u>-</u>	<u>18,881,658</u>
Net governmental activities assets	<u>\$ 23,643,477</u>	<u>\$ 9,502,701</u>	<u>\$ 52,015</u>	<u>\$ 33,094,163</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 131,117	\$ -	\$ -	\$ 131,117
Total capital assets not being depreciated	<u>131,117</u>	<u>-</u>	<u>-</u>	<u>131,117</u>
Capital assets being depreciated:				
Buildings	18,566,008	-	-	18,566,008
Equipment	3,067,426	-	130,552	2,936,874
Infrastructure and improvements - other	51,906,450	-	-	51,906,450
Total capital assets being depreciated	<u>73,539,884</u>	<u>-</u>	<u>130,552</u>	<u>73,409,332</u>
Less accumulated depreciation for:				
Buildings	(13,778,820)	(306,535)	-	(14,085,355)
Equipment	(2,477,769)	(32,470)	(32,638)	(2,477,601)
Infrastructure and improvements - other	(31,085,007)	(663,055)	-	(31,748,062)
Total accumulated depreciation	<u>(47,341,596)</u>	<u>(1,002,060)</u>	<u>(32,638)</u>	<u>(48,311,018)</u>
Net capital assets being depreciated	<u>26,198,288</u>	<u>(1,002,060)</u>	<u>97,914</u>	<u>25,098,314</u>
Net business-type activities assets	<u>\$ 26,329,405</u>	<u>\$ (1,002,060)</u>	<u>\$ 97,914</u>	<u>\$ 25,229,431</u>

City of Moss Point
Notes to the Financial Statements
(Continued)

Depreciation expense was charged to functions/programs for the year ended September 30, 2015 as follows:

Governmental activities	
General government	\$ 1,232,280
Total depreciation expense - governmental activities	<u>\$ 1,232,280</u>
Business type activities	
Utility system revenue	\$ 761,473
EUD system revenue	240,587
Total depreciation expense - business-type activities	<u>\$ 1,002,060</u>
Total depreciation expense	<u>\$ 2,234,340</u>

Note 10 – Long-Term Debt

The following is a summary of bond and other long-term debt transactions of the City for the year ended September 30, 2015:

	Beginning 10/01/14	Additions	Reductions	Ending 9/30/15	Amounts Due Within One Year
Governmental activities					
General obligation debt	\$ 5,445,000	\$ -	\$ 320,000	\$ 5,125,000	\$ 325,000
Notes payable	167,002	-	26,283	140,719	29,481
Capital leases	253,682	13,554,500	62,406	13,745,776	210,484
Compensated absences	196,633	36,036	-	232,669	58,167
Total governmental activities	<u>\$ 6,062,317</u>	<u>\$ 13,590,536</u>	<u>\$ 408,689</u>	<u>\$ 19,244,164</u>	<u>\$ 623,132</u>
Business-type activities					
Water and sewer	\$ 3,648,623	\$ -	\$ 300,414	\$ 3,348,209	\$ 309,344
Drinking water loan	1,056,493	-	58,708	997,785	59,864
Capital leases	332,760	-	31,147	301,613	32,465
Compensated absences	41,744	11,836	-	53,580	13,395
Total business-type activities	<u>\$ 5,079,620</u>	<u>\$ 11,836</u>	<u>\$ 390,269</u>	<u>\$ 4,701,187</u>	<u>\$ 415,068</u>

City of Moss Point
Notes to the Financial Statements
(Continued)

Bonds, notes, and other long-term debt payable at September 30, 2015 are comprised of the following individual issues:

	<u>Original Issue</u>	<u>Range of Interest Rates</u>	<u>Amount Outstanding 9/30/15</u>
Governmental Activities			
Bonds and Notes:			
General obligation capital improvement bonds, series 2013, due in biannual installments through 2033	\$ 2,470,000	2.25% - 2.875%	\$ 2,370,000
General Obligation Street Bonds, series 1998, due in various annual installments through 08/1/18	430,000	4.38% - 6.00%	330,000
Capital Improvements Revolving Loan, due in monthly installments of \$2,773 through 3/1/20	167,002	3.00%	140,719
Special obligation bond, series 2010, due in various annual installments through 6/01/30	2,545,000	2.00% - 3.75%	<u>2,425,000</u>
Total bonds and notes			<u>5,265,719</u>
Capital Leases:			
Capital lease note, payable in annual installments of \$36,527 through 10/20/18, secured by a fire truck	161,885	4.16%	132,093
Capital lease note, payable in monthly installments of \$559 through 4/15/16, secured by a 2012 Chevy Tahoe	9,883	2.28%	3,332
Capital lease note, payable in bi-annual installments of \$603,683 through 4/1/30	13,554,500	3.35%	13,554,500
Capital lease note, payable in monthly installments of \$2,279 through 2/27/17, secured by a street sweeper	81,913		<u>55,851</u>
Total capital leases			<u>13,745,776</u>
Compensated absences			<u>232,669</u>
Total governmental long-term debt			<u>\$ 19,244,164</u>

(Continued)

City of Moss Point
Notes to the Financial Statements
(Continued)

	Original Issue	Range of Interest Rates	Amount Outstanding 9/30/15
Business Type Activities			
Bonds and Notes:			
State Revolving Fund Loan, payable in monthly installments of \$4,524 through 4/1/17, secured by sales tax revenue	\$ 132,151	1.75%	\$ 82,806
State Revolving Fund Loan, payable in monthly installments of \$7,429 through 11/1/17, secured by sales tax revenue	262,660	1.75%	183,714
State Revolving Fund Loan, payable in monthly installments of \$7,235 through 9/1/30 secured by sales tax revenue	1,210,746	1.75%	1,144,591
State Revolving Fund Loan, payable in monthly installments of \$6,477 through 5/1/31, secured by sales tax revenue	1,122,962	1.75%	1,064,417
State Revolving Fund Loan, payable in monthly installments of \$5,262 through 7/1/31, secured by sales tax revenue	920,104	1.75%	872,681
Drinking Water Systems Improvements Revolving Loan, payable in monthly installments of \$6,558 through 2/1/30, secured by sales tax revenues	1,056,493	1.95%	997,785
Total bonds and notes			4,345,994
Capital Leases:			
Capital lease note, payable in annual installments of \$45,227 through 11/1/22, secured by a fire truck	332,761		301,613
Total capital leases			301,613
Compensated absences			53,580
Total business-type activities long-term debt			\$ 4,701,187

The annual requirements to pay principal and interest on the bonds, notes and loans outstanding at September 30, 2015 follow and include interest on the variable rate debt.

Year Ended September 30,	Governmental Activities			
	Bonds and Notes		Capital Leases	
	Principal	Interest	Principal	Interest
2016	\$ 354,481	\$ 183,482	\$ 210,484	\$ 460,443
2017	370,378	170,833	823,966	447,272
2018	381,301	157,280	828,696	419,755
2019	277,254	140,266	852,252	391,642
2020	272,305	134,471	844,789	362,577
2021-2025	1,410,000	535,874	4,671,843	1,365,037
2026-2030	1,710,000	264,181	5,513,746	520,831
2031-2035	490,000	26,475	-	-
Totals	\$ 5,265,719	\$ 1,612,862	\$ 13,745,776	\$ 3,967,557

City of Moss Point
Notes to the Financial Statements
(Continued)

Year Ended September 30,	Business-type Activities			
	Bonds and Notes		Capital Leases	
	Principal	Interest	Principal	Interest
2016	\$ 369,208	\$ 80,614	\$ 32,465	\$ 12,762
2017	356,381	70,352	33,838	11,388
2018	258,392	62,835	35,270	9,956
2019	248,061	58,327	36,763	8,464
2020	252,566	53,822	38,318	6,909
2021-2025	1,333,331	198,611	124,959	10,721
2026-2030	1,419,408	73,183	-	-
2031-2035	108,647	760	-	-
Totals	<u>\$ 4,345,994</u>	<u>\$ 598,504</u>	<u>\$ 301,613</u>	<u>\$ 60,200</u>

The City is in compliance with all significant limitations and restrictions contained in the various bond indentures.

The City's legal debt limit for general obligation bonds may be shown as follows:

Year Ended September 30,	Business-type Activities			
	Bonds and Notes		Capital Leases	
	Principal	Interest	Principal	Interest
2016	\$ 369,208	\$ 80,614	\$ 32,465	\$ 12,762
2017	356,381	70,352	33,838	11,388
2018	258,392	62,835	35,270	9,956
2019	248,061	58,327	36,763	8,464
2020	252,566	53,822	38,318	6,909
2021-2025	1,333,331	198,611	124,959	10,721
2026-2030	1,419,408	73,183	-	-
2031-2035	108,647	760	-	-
Totals	<u>\$ 4,345,994</u>	<u>\$ 598,504</u>	<u>\$ 301,613</u>	<u>\$ 60,200</u>

The Board of Aldermen annually adopts a resolution providing for the amount of property tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City. The millage rate for the year ended September 30, 2015, was 4.88 mills or \$4.88 per \$1,000 of assessed value.

On August 13, 1997, the City of Moss Point, Mississippi, through the Moss Point Redevelopment Authority (Lessor), executed a lease agreement with the United States Postal Service. Terms of the lease call for the lessor to lease a one story building and parking area to the Postal Service for an annual rental of \$377,589 for a fixed term of nineteen (19) years. The annual rental is payable in monthly installments. In addition to the general terms of the lease agreement, the Lessor has agreed to sell the building and improvements to the Postal Service at any time subsequent to the completion of building construction upon receiving notice from the Postal Service at least six months in advance. See below for the determination of the selling price.

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City of Moss Point
Notes to the Financial Statements
(Continued)

In connection with the lease agreement described above, the Lessor issued an Urban Renewal Bond, Series 1997, in the principal amount of three million four hundred seventeen thousand dollars (\$3,417,000). The proceeds will be used for the primary purpose of constructing the building and improvements to be leased to the Postal Service under the lease agreement described above. Interest on the outstanding balance is payable at the rate of 8.1% per year, beginning December 6, 1997 through November 6, 1998. On December 6, 1998, the bond covenants call for a monthly principal and interest payment of \$29,421 to be made for a period of nineteen (19) years. In addition, the bond covenants call for certain other bond funds to be funded out of the bond proceeds. Inasmuch as the bond payments required are to be paid from the monthly rental revenues described above, the bond is considered to be a revenue bond.

Therefore, the bond does not constitute an indebtedness of the City of Moss Point, Mississippi, and is not charged against the general credit of the City.

As mentioned above, the Lessor has agreed, under certain conditions, to sell the property to the Postal Service. The selling price will be based upon the unpaid balance of the bond at the time that the purchase option is exercised by the Postal Service, less the amount of any funds on deposit in any of the bond covenant funds set up as a requirement under the bond issue. Consequently, no monetary assets accrue to the benefit of the Lessor or the City of Moss Point.

Under the criteria established by the Financial Accounting Standards Board, the Lessor has determined that the lease agreement represents and in-substance sale of property to the Postal Service. Consequently, the lease is deemed to be a capital lease and not an operating lease.

Note 11 – Employees’ Retirement System

General information about the Pension Plan

Plan description

Substantially all of the City's fulltime employees participate in the Public Employees' Retirement System of Mississippi (PERS) - a cost sharing multiple-employer defined benefit plan. 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 can be obtained at www.pers.ms.gov.

Benefits provided

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below age 65, whichever is less. Average compensation is the average of the employee's earnings during the 4 highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits

City of Moss Point
Notes to the Financial Statements
(Continued)

for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits as well as annual COLA adjustments. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

Contributions

PERS' members are required to contribute 9% 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 ending September 30, 2015, 2014, and 2013 were \$840,262, \$817,303 and \$778,949, respectively. These amounts were 100% of the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a liability of \$10,546,370 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was .086886%.

For the year ended September 30, 2015, the City recognized pension expense of \$512,209. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133,261	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,238,307
City contributions subsequent to the measurement date	844,973	-
Totals	\$ 978,234	\$ 1,238,307

City of Moss Point
Notes to the Financial Statements
(Continued)

Business-Type Activities

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,259	\$ -
Net difference between projected and actual earnings on pension plan investments	-	290,467
City contributions subsequent to the measurement date	197,409	-
Totals	<u>\$ 228,668</u>	<u>\$ 290,467</u>

\$1,042,382 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Outflows & Inflows of Resources</u>	<u>Amortization of difference between expected and projected and actual experience and actual earnings</u>	
2016	\$ (323,013)	\$ 59,180	\$ (382,193)
2017	(323,013)	59,180	(382,193)
2018	(336,032)	46,161	(382,193)
2019	(382,194)		(382,194)
Total	<u>\$ (1,364,254)</u>	<u>\$ 164,520</u>	<u>\$ (1,528,774)</u>

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City of Moss Point
Notes to the Financial Statements
(Continued)

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	4.25-19.50%, average, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2025, set forward two years for males.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2012. The experience report is dated June 12, 2013.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Broad	34.00%	5.20%
International equity	19.00%	5.00%
Emerging markets equity	8.00%	5.45%
Fixed income	20.00%	0.25%
Real assets	10.00%	4.00%
Private equity	8.00%	6.15%
Cash	1.00%	-0.50%
Total	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Moss Point
Notes to the Financial Statements
(Continued)

The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 8.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease	Current	1% Increase
	7.00%	Discount Rate	9.00%
	<u>7.00%</u>	<u>8.00%</u>	<u>9.00%</u>
Net pension liability	<u>\$ 14,377,847</u>	<u>\$ 10,546,370</u>	<u>\$ 7,350,348</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Note 12 – Library Commission

The library commission is administered by a separate operating board. During the year under review, the tax levy, as collected by the City, provided \$132,969 in revenues for library purposes.

Note 13– Related Party Commitments

The City is a member of the Jackson County Utility Authority (Authority) which was established by an Act of the Mississippi Legislature to design and implement a water pollution abatement plan. The Authority is responsible for the operations and maintenance of wastewater treatment plants for the Cities of Pascagoula, Moss Point, Ocean Springs and Gautier, Mississippi. These local governmental entities are considered to be joint venturers in the operations of the Authority. The governing board of the Authority is comprised of members appointed by the governing bodies of the joint venturers.

In January 1981, the City and the Authority executed a Wastewater Service Contract calling for the operation of the treatment plants for ninety-nine (99) years. In accordance with the contract, the City is obligated to share in the operating, administrative and capital costs of the Authority. The City's pro-rata share of costs is based upon the actual flow of wastewater into the treatment plants. The City, in addition to the other governmental entities mentioned above, is jointly and severally liable for all of the liabilities of the Authority. The following is a synopsis of the Authority's financial statements as of and for the year ended September 30, 2014, a complete copy of which is on file at the administrative offices of the Authority. The Authority would not release its financial statements for the September 30, 2015, fiscal year until the final deadline of June 30, 2016; therefore, the financials reported in these notes are the most recent available to the City.

City of Moss Point
Notes to the Financial Statements
(Continued)

Jackson County Utility Authority Synopsis
Statement of Net Position

Assets	
Current assets	\$ 4,444,069
Restricted assets	3,131,142
Noncurrent assets	138,365,712
Total assets	<u>\$ 145,940,923</u>
Liabilities and Fund Equity	
Liabilities	
Current liabilities	\$ 10,716,647
Non-current liabilities	8,144,387
Total liabilities	<u>18,861,034</u>
Net Position	<u>127,079,889</u>
Total liabilities and net assets	<u>\$ 145,940,923</u>

During the year ended September 30, 2015, the City's pro-rata share of costs charged by the Authority was \$2,657,400.

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 10,472,040
Operating expenses	(9,572,508)
Depreciation and amortization	(6,255,996)
Non-operating revenues (expenses)	5,562,553
Change in net position	<u>\$ 206,089</u>

Note 14 – Contingencies

The City is involved in various legal matters arising during the normal course of business activities. Management, after consulting with legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 15 – Prior Period Adjustment – Change in Accounting Principle

In fiscal year 2015, the City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." This statement requires employers to recognize a liability as employees earn their pension benefits. The City will now recognize its proportionate share of the collective pension amounts for all benefits provided through the plan. As a result of implementing GASB 68, the City has restated the beginning net position as follows:

City of Moss Point
Notes to the Financial Statements
(Continued)

	<u>Governmental Activites</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning balance as previously reported	\$ 28,812,435	\$ 18,581,292	\$ 47,393,727
Net adjustment to record net pension liability per GASB 68 implementation	(9,069,051)	(2,127,308)	(11,196,359)
Net Position, beginning - as resated	<u>\$ 19,743,384</u>	<u>\$ 16,453,984</u>	<u>\$ 36,197,368</u>

Note 16 – Subsequent Events

Management has evaluated subsequent events through June 20, 2016 the date on which the financial statements were available to be issued.

Combining Financial Statements

City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds - Special Revenue
September 30, 2015

Assets	Special Revenue						
	Library Fund	Fire Protection Fund	Municipalities		Economic Development Resources Fund	Law Enforcement Grant Fund	Seized Assets Fund
			Crime Protection Grant Fund	Tidelands Grant Fund			
Cash	\$ 22,329	\$ 2,098	\$ 15,771	\$ 12,071	\$ 543,272	\$ 33	\$ 28,096
Accounts receivable, net	22,788	419	-	81,492	40,534	-	-
Due from other funds	142	47,381	3,967	900	251,255	-	-
Prepays	654	-	-	-	-	-	-
Total assets	\$ 45,913	\$ 49,898	\$ 19,738	\$ 94,463	\$ 835,061	\$ 33	\$ 28,096
Liabilities & Fund Balance							
Liabilities							
Accounts payable	\$ 468	\$ -	\$ 6,355	\$ 24,101	6,406	\$ -	\$ 965
Due to other funds	5,089	-	-	17,216	67,993	-	3,730
Total liabilities	5,557	-	6,355	41,317	74,399	-	4,695
Fund balance							
Nonspendable prepaids	654	-	-	-	-	-	-
Committed for Capital Improvements	-	-	-	-	-	-	-
Unassigned	39,702	49,898	13,383	53,146	760,662	33	23,401
Total fund balances	40,356	49,898	13,383	53,146	760,662	33	23,401
Total liabilities & fund balance	\$ 45,913	\$ 49,898	\$ 19,738	\$ 94,463	\$ 835,061	\$ 33	\$ 28,096

See independent auditors' report.

City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds - Special Revenue
September 30, 2015

Special Revenue									
Federal Seized Assets Fund	Emergency Shelter Grant Fund	Pelican Landing Operating Fund	Community Development Block Grant Fund	Special Grants Fund	Moss Point Library Project Fund	Home Program Grant Fund	Moss Point Recreation Programs	Americorp Program	CDBG Supplemental Grant Fund
\$ 37,219	\$ 110	\$ 117,774	\$ (482)	\$ 53,118	\$ 58	\$ 2,482	\$ 40,012	\$ (2,495)	\$ 100
-	-	200	-	-	-	-	-	-	-
19,622	-	41,479	13,011	-	-	-	-	-	142,872
-	-	-	-	-	-	-	-	-	-
<u>\$ 56,841</u>	<u>\$ 110</u>	<u>\$ 159,453</u>	<u>\$ 12,529</u>	<u>\$ 53,118</u>	<u>\$ 58</u>	<u>\$ 2,482</u>	<u>\$ 40,012</u>	<u>\$ (2,495)</u>	<u>\$ 142,972</u>
\$ 2,590	\$ -	\$ 43,044	\$ 2,608	\$ -	\$ -	\$ 1,000	\$ 16,297	\$ 2,971	\$ 6,120
-	-	65,565	278,513	629	2,070	2,000	-	-	106,875
<u>2,590</u>	<u>-</u>	<u>108,609</u>	<u>281,121</u>	<u>629</u>	<u>2,070</u>	<u>3,000</u>	<u>16,297</u>	<u>2,971</u>	<u>112,995</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	29,977
54,251	110	50,844	(268,592)	52,489	(2,012)	(518)	23,715	(5,466)	-
<u>54,251</u>	<u>110</u>	<u>50,844</u>	<u>(268,592)</u>	<u>52,489</u>	<u>(2,012)</u>	<u>(518)</u>	<u>23,715</u>	<u>(5,466)</u>	<u>29,977</u>
<u>\$ 56,841</u>	<u>\$ 110</u>	<u>\$ 159,453</u>	<u>\$ 12,529</u>	<u>\$ 53,118</u>	<u>\$ 58</u>	<u>\$ 2,482</u>	<u>\$ 40,012</u>	<u>\$ (2,495)</u>	<u>\$ 142,972</u>

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City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015

	Capital Projects				
	Redevelop- ment Authority Fund	Natural Disaster Relief Fund	Natural Disaster Fund	Federal Disaster Assistance Fund	1996 Public Improvement Bond Fund
Assets					
Cash	\$ 38,331	\$ 11,387	\$ 48,341	\$ 593,082	\$ 26,447
Accounts receivable, net	-	-	-	-	-
Due from other funds	-	-	219,660	33,255	-
Total assets	<u>\$ 38,331</u>	<u>\$ 11,387</u>	<u>\$ 268,001</u>	<u>\$ 626,337</u>	<u>\$ 26,447</u>
Liabilities & Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	600	-	14,100	1,888,811	-
Total liabilities	<u>600</u>	<u>-</u>	<u>14,100</u>	<u>1,888,811</u>	<u>-</u>
Fund balance					
Committed for capital improvements	<u>37,731</u>	<u>11,387</u>	<u>253,901</u>	<u>(1,262,474)</u>	<u>26,447</u>
Total fund balances	<u>37,731</u>	<u>11,387</u>	<u>253,901</u>	<u>(1,262,474)</u>	<u>26,447</u>
Total liabilities & fund balance	<u>\$ 38,331</u>	<u>\$ 11,387</u>	<u>\$ 268,001</u>	<u>\$ 626,337</u>	<u>\$ 26,447</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015

Capital Projects

Post Office Project Fund	1998 Public Improvement Bond Fund	1998 Public Imp. Street Bond Fund	Pelican Landing Project Fund	Capital Improvement Fund	Hurricane Relief Grant Fund
\$ 602,827	\$ 44,918	\$ -	\$ 28,446	\$ -	\$ 2,034
-	-	-	675	-	-
-	98,346	111,561	41,907	-	10
<u>\$ 602,827</u>	<u>\$ 143,264</u>	<u>\$ 111,561</u>	<u>\$ 71,028</u>	<u>\$ -</u>	<u>\$ 2,044</u>
\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 3,110
5,573	109,891	4,202	-	271,731	-
<u>5,573</u>	<u>109,891</u>	<u>4,202</u>	<u>200</u>	<u>271,731</u>	<u>3,110</u>
597,254	33,373	107,359	70,828	(271,731)	(1,066)
<u>597,254</u>	<u>33,373</u>	<u>107,359</u>	<u>70,828</u>	<u>(271,731)</u>	<u>(1,066)</u>
<u>\$ 602,827</u>	<u>\$ 143,264</u>	<u>\$ 111,561</u>	<u>\$ 71,028</u>	<u>\$ -</u>	<u>\$ 2,044</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015
(Continued)

	Capital Projects				
	Hazard Mitigation Program	USRDA Self Help Grant	DEQ Gulf Region Disaster Recovery	Capital Projects Fund	E.U.D Sewer System Rehab, PH II
Assets					
Cash	\$ 100	\$ 100	\$ 100	\$ 2,547,388	\$ 6,651
Accounts receivable, net	-	-	-	-	-
Due from other funds	129,020	542	51,697	-	-
Total assets	<u>\$ 129,120</u>	<u>\$ 642</u>	<u>\$ 51,797</u>	<u>\$ 2,547,388</u>	<u>\$ 6,651</u>
Liabilities & Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	212,533	-	41,913	171,536	11,797
Total liabilities	<u>212,533</u>	<u>-</u>	<u>41,913</u>	<u>171,536</u>	<u>11,797</u>
Fund balance					
Committed for capital improvements	(83,413)	642	9,884	2,375.852	(5,146)
Total fund balances	<u>(83,413)</u>	<u>642</u>	<u>9,884</u>	<u>2,375.852</u>	<u>(5,146)</u>
Total liabilities & fund balance	<u>\$ 129,120</u>	<u>\$ 642</u>	<u>\$ 51,797</u>	<u>\$ 2,547,388</u>	<u>\$ 6,651</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015

	Debt Service					Total Governmental Funds
	Bond Redemption Fund	School Bond Redemption Fund	2013 G.O. Bond Fund	1993 Bond & Interest Redemption Fund	2010 Public Improvement Bond Fund	
Assets						
Cash	\$ 625,374	\$ 113,504	\$ 938,007	\$ 91	\$ 92,420	\$ 6,591,114
Accounts receivable, net	8,185	-	-	-	-	154,293
Due from other funds	126,947	-	1,140	-	5,990	1,340,704
Prepays	-	-	-	-	-	654
Total assets	<u>\$ 760,506</u>	<u>\$ 113,504</u>	<u>\$ 939,147</u>	<u>\$ 91</u>	<u>\$ 98,410</u>	<u>\$ 8,086,765</u>
Liabilities & Fund Balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 16,285	\$ -	\$ -	\$ 132,520
Due to other funds	103,335	16,282	-	83	-	3,402,067
Total liabilities	<u>103,335</u>	<u>16,282</u>	<u>16,285</u>	<u>83</u>	<u>-</u>	<u>3,534,587</u>
Fund balance						
Nonspendable						
Prepays	-	-	-	-	-	654
Committed for capital improvements	-	-	-	-	-	1,930,805
Debt service	657,171	97,222	922,862	8	98,410	1,775,673
Unassigned	-	-	-	-	-	845,046
Total fund balances	<u>657,171</u>	<u>97,222</u>	<u>922,862</u>	<u>8</u>	<u>98,410</u>	<u>4,552,178</u>
Total liabilities & fund balance	<u>\$ 760,506</u>	<u>\$ 113,504</u>	<u>\$ 939,147</u>	<u>\$ 91</u>	<u>\$ 98,410</u>	<u>\$ 8,086,765</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Special Revenue
For the Year Ended September 30, 2015

	Special Revenue						
	Library Fund	Fire Protection Fund	Municipalities Crime Protection Grant Fund	Tidelands Grant Fund	Economic Development Resources Fund	Law Enforcement Grant Fund	Seized Assets Fund
Revenues							
Property taxes	\$ 132,969	\$ 23,665	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and miscellaneous taxes	-	-	-	-	292,712	-	-
Intergovernmental	-	-	-	159,417	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Other	-	-	125,909	-	-	-	65,047
Total revenues	<u>132,969</u>	<u>23,665</u>	<u>125,909</u>	<u>159,417</u>	<u>292,712</u>	<u>-</u>	<u>65,047</u>
Expenditures							
Current							
Public safety	-	-	133,078	-	-	-	45,704
Public works	-	-	-	-	-	-	-
Cultural and recreation	131,673	-	-	139,616	-	-	-
Urban and economic development	-	-	-	-	242,923	-	-
Debt service							
Interest and other charges	-	-	-	-	171,661	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>131,673</u>	<u>-</u>	<u>133,078</u>	<u>139,616</u>	<u>414,584</u>	<u>-</u>	<u>45,704</u>
Excess of revenues over expenditures	<u>1,296</u>	<u>23,665</u>	<u>(7,169)</u>	<u>19,801</u>	<u>(121,872)</u>	<u>-</u>	<u>19,343</u>
Other financing sources (uses)							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,296</u>	<u>23,665</u>	<u>(7,169)</u>	<u>19,801</u>	<u>(121,872)</u>	<u>-</u>	<u>19,343</u>
Fund balance, beginning of year	39,060	26,233	20,552	33,345	882,534	33	4,058
Fund balance, end of year	<u>\$ 40,356</u>	<u>\$ 49,898</u>	<u>\$ 13,383</u>	<u>\$ 53,146</u>	<u>\$ 760,662</u>	<u>\$ 33</u>	<u>\$ 23,401</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Special Revenue
For the Year Ended September 30, 2015

Special Revenue									
Federal Seized Assets Fund	Emergency Shelter Grant Fund	Pelican Landing Operating Fund	Community Development Block Grant Fund	Special Grants Fund	Moss Point Library Project Fund	Home Program Grant Fund	Moss Point Recreation Programs	Americorp Program	CDBG Supplemental Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	219,756	-	-	-	-	-	-
-	-	-	7,138	-	-	-	65,971	-	-
12	-	-	-	-	-	-	-	-	-
50,828	-	11,840	-	62,391	23	-	-	-	-
<u>50,840</u>	<u>-</u>	<u>11,840</u>	<u>226,894</u>	<u>62,391</u>	<u>23</u>	<u>-</u>	<u>65,971</u>	<u>-</u>	<u>-</u>
41,794	-	-	-	-	-	-	-	-	-
-	-	-	228,460	-	-	-	-	-	-
-	-	11,300	-	-	-	-	42,256	5,466	-
-	-	-	-	21,802	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
26,329	-	-	-	-	-	-	-	-	18,020
<u>68,123</u>	<u>-</u>	<u>11,300</u>	<u>228,460</u>	<u>21,802</u>	<u>-</u>	<u>-</u>	<u>42,256</u>	<u>5,466</u>	<u>18,020</u>
(17,283)	-	540	(1,566)	40,589	23	-	23,715	(5,466)	(18,020)
-	-	-	(25,968)	-	-	-	-	-	-
-	-	-	(25,968)	-	-	-	-	-	-
(17,283)	-	540	(27,534)	40,589	23	-	23,715	(5,466)	(18,020)
71,534	110	50,304	(241,058)	11,900	(2,035)	(518)	-	-	47,997
<u>\$ 54,251</u>	<u>\$ 110</u>	<u>\$ 50,844</u>	<u>\$ (268,592)</u>	<u>\$ 52,489</u>	<u>\$ (2,012)</u>	<u>\$ (518)</u>	<u>\$ 23,715</u>	<u>\$ (5,466)</u>	<u>\$ 29,977</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2015

	Capital Projects				
	Redevelop- ment Authority Fund	Natural Disaster Relief Fund	Natural Disaster Fund	Federal Disaster Assistance Fund	1996 Public Improvement Bond Fund
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ 53,961	\$ -
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,961</u>	<u>-</u>
Expenditures					
Current					
Cultural and recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,961</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,961</u>	<u>-</u>
Fund balance, beginning of year	<u>37,731</u>	<u>11,387</u>	<u>253,901</u>	<u>(1,316,435)</u>	<u>26,447</u>
Fund balance, end of year	<u>\$ 37,731</u>	<u>\$ 11,387</u>	<u>\$ 253,901</u>	<u>\$ (1,262,474)</u>	<u>\$ 26,447</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2015

Capital Projects					
Post Office Project Fund	1998 Public Improvement Bond Fund	1998 Public Imp. Street Bond Fund	Pelican Landing Project Fund	Capital Improvement Fund	Hurricane Relief Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	71,060	-	-
-	-	-	-	-	-
377,589	-	-	-	-	-
<u>377,589</u>	<u>-</u>	<u>-</u>	<u>71,060</u>	<u>-</u>	<u>-</u>
-	-	-	72,262	-	-
290.842	-	-	-	-	-
62,207	-	-	-	-	-
-	-	-	-	-	-
<u>353,049</u>	<u>-</u>	<u>-</u>	<u>72,262</u>	<u>-</u>	<u>-</u>
24,540	-	-	(1,202)	-	-
-	-	-	25,968	-	-
-	-	-	25,968	-	-
<u>24,540</u>	<u>-</u>	<u>-</u>	<u>24,766</u>	<u>-</u>	<u>-</u>
<u>572,714</u>	<u>33,373</u>	<u>107,359</u>	<u>46,062</u>	<u>(271,731)</u>	<u>(1,066)</u>
<u>\$ 597,254</u>	<u>\$ 33,373</u>	<u>\$ 107,359</u>	<u>\$ 70,828</u>	<u>\$ (271,731)</u>	<u>\$ (1,066)</u>

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City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2015

	Capital Projects				
	Hazard Mitigation Program	USRDA Self Help Grant	DEQ Gulf Region Disaster Recovery	Capital Projects Fund	E.U.D Sewer System Rehab, PH II
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	4,693	-
Other	-	-	-	1,584,325	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,589,018</u>	<u>-</u>
Expenditures					
Current					
Cultural and recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	171,536	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,536</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,417,482</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,417,482</u>	<u>-</u>
Fund balance, beginning of year	<u>(83,413)</u>	<u>642</u>	<u>9,884</u>	<u>958,370</u>	<u>(5,146)</u>
Fund balance, end of year	<u>\$ (83,413)</u>	<u>\$ 642</u>	<u>\$ 9,884</u>	<u>\$ 2,375,852</u>	<u>\$ (5,146)</u>

See independent auditors' report.

City of Moss Point, Mississippi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2015

	Debt Service					Total Governmental Funds
	Bond Redemption Fund	School Bond Redemption Fund	2013 G.O Bond Fund	1993 Bond & Interest Redemption Fund	2010 Public Improvement Bond Fund	
Revenues						
Property taxes	\$ 436,842	\$ -	\$ -	\$ -	\$ -	\$ 593,476
Sales and miscellaneous taxes	-	-	-	-	-	292,712
Intergovernmental	120,375	-	-	-	-	553,509
Charges for services	-	-	-	-	-	144,169
Investment earnings	-	-	-	-	-	4,705
Other	-	-	-	-	-	2,277,952
Total revenues	<u>557,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,866,523</u>
Expenditures						
Current						
Public safety	-	-	-	-	-	220,576
Public works	-	-	-	-	-	228,460
Cultural and recreation	-	-	-	-	-	402,573
Urban and economic development	-	-	-	-	-	264,725
Debt service						
Principal	320,000	-	-	-	-	610,842
Interest and other charges	192,863	-	-	-	-	426,731
Capital outlay	-	-	1,392,134	-	14,655	1,622,674
Total expenditures	<u>512,863</u>	<u>-</u>	<u>1,392,134</u>	<u>-</u>	<u>14,655</u>	<u>3,776,581</u>
Excess of revenues over expenditures	<u>44,354</u>	<u>-</u>	<u>(1,392,134)</u>	<u>-</u>	<u>(14,655)</u>	<u>89,942</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	25,968
Transfers out	-	-	-	-	-	(25,968)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>44,354</u>	<u>-</u>	<u>(1,392,134)</u>	<u>-</u>	<u>(14,655)</u>	<u>89,942</u>
Fund balance, beginning of year	<u>612,817</u>	<u>97,222</u>	<u>2,314,996</u>	<u>8</u>	<u>113,065</u>	<u>4,462,236</u>
Fund balance, end of year	<u>\$ 657,171</u>	<u>\$ 97,222</u>	<u>\$ 922,862</u>	<u>\$ 8</u>	<u>\$ 98,410</u>	<u>\$ 4,552,178</u>

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Required and Other Supplemental Information

City of Moss Point, Mississippi
Schedule of Long-Term Debt
September 30, 2015

	Date Issued	Original Issue	Balance		New Issues	Retirements	Balance		Requirements Year Ended	
			October 1, 2014	October 1, 2014			September 30, 2015	September 30, 2015	September 29, 2016	September 29, 2016
General Obligation Bonds and Notes										
General Obligation Capital Improvement, Series 2013	05/01/13	\$ 2,565,000	\$ 2,470,000	\$ -	\$ 100,000	\$ 2,370,000	\$ 100,000	\$ 61,750		
General Obligation Public Improvement, Series 1998	08/01/98	1,500,000	430,000	-	100,000	330,000	105,000	15,675		
Special Obligation Bond, Series 2010	06/01/10	300,000	2,545,000	-	120,000	2,425,000	120,000	102,263		
Total general obligation bonds and notes			5,445,000	-	320,000	5,125,000	325,000	179,688		
Limited Obligation Bonds and Notes										
Capital improvements revolving loan	03/01/00	500,000	167,002	-	26,283	140,719	29,481	3,794		
Total limited obligation bonds and notes			167,002	-	26,283	140,719	29,481	3,794		
Other General Long-Term Debt										
Lease/Purchase	Various	482,990	253,682	13,554,500	62,406	13,745,776	210,484	460,443		
Total general long-term debt			5,865,684	13,554,500	408,689	19,011,495	564,965	643,925		
Proprietary Funds Debt										
Water and sewer pollution control loans	1997-2011	7,587,849	4,705,116	-	359,122	4,345,994	369,208	80,614		
Lease/Purchase	Various	174,014	332,760	-	31,147	301,613	32,465	12,762		
Total proprietary funds debt			5,037,876	-	390,269	4,647,607	401,673	93,376		
Totals			\$ 10,903,560	\$ 13,554,500	\$ 798,958	\$ 23,659,102	\$ 966,638	\$ 737,301		

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City of Moss Point, Mississippi
Schedule of Surety Bonds for Municipal Officials
And Other Municipal Employees

Name	Position	Bond
Billy Broomfield	Mayor	\$ 50,000
Adlean Liddell	City Clerk	50,000
Houston Cunningham	Alderman	50,000
James C. Smith	Alderman	50,000
Chuck Redmond	Alderman	50,000
Robert Byrd	Alderman	50,000
Shirley Chambers	Alderman	50,000
O. Linwood Grierson	Alderman	50,000
Gary Wayne Lennep	Alderman	50,000

See independent auditors' report.

City of Moss Point, Mississippi
Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees Retirement Plan of Mississippi
Last Ten Fiscal Years*
September 30, 2015

	2014
City's proportion of the net pension liability	0.086886%
City's proportionate share of the net pension liability	\$ 10,546,370
City's covered-employee payroll	\$ 5,334,989
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	197.68%
Plan fiduciary net position as a percentage of the total pension liability	67.21%

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

*This schedule is presented to illustrate the requirement to show information for ten years. However, GASB 68 was implemented in the fiscal year ended September 30, 2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

See independent auditors' report.

City of Moss Point, Mississippi
Schedule of City Contributions
Public Employee's Retirement System of Mississippi
Last Ten Fiscal Years *
September 30, 2015

	2015
Contractually required contribution	\$ 840,262
Contributions in relation to the contractually required contribution	840,262
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 5,334,989
Contributions as a percentage of covered- employee payroll	15.75%

*This schedule is presented to illustrate the requirement to show information for ten years. However, GASB 68 was implemented in the fiscal year ended September 30, 2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

See independent auditors' report.

City of Moss Point, Mississippi
Notes to Required Supplemental Information
For the Year Ended September 30, 2015

Changes of Assumptions

In 2013 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2013. In 2013, withdrawal rates, pre-retirement mortality rates, disability rates and retirement rates were adjusted to more closely reflect actual experience. In 2013, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

See independent auditors' report.

Section III
Compliance Section

City of Moss Point, Mississippi
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2015

Grantor Federal Agency / Pass-Through Agency / Program Title	CFDA Number	Pass-Through Grantor No.	Federal Expenditures
United States Department of Justice Direct Programs			
Equitable Sharing	16.922		\$ 68,123
Edward Byrne Memorial Justice Assistance Grant	16.738		22,036
Juvenile Accountability Block Grants	16.523		58,037
Public Safety Partnership and Community Policing	16.710		52,426
Total			<u>200,622</u>
Department of the Interior Direct Programs			
Pass through MS Department of Marine Resources Coastal Impact Assistance Program (CIAP)	15.668		<u>3,468,661</u>
Department of Housing & Urban Development			
Pass through MS Development Authority Community Development Block Grant	14.218		<u>227,422</u>
Department of Transportation			
Pass through MS Department of Transportation Highway Planning and Construction	20.205		<u>15,554</u>
Department of Commerce			
Investments for Public Works and Economic Development Facilities	11.300		<u>4,962</u>
Department of Homeland Security			
Pass through MEMA Hazard Mitigation Grant	97.039		<u>104,912</u>
United States Environmental Protection Agency			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		<u>77,068</u>
Total expenditures of federal awards			<u>\$ 4,099,201</u>

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See accompanying notes to schedule of expenditures of federal awards.

City of Moss Point, Mississippi
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2015

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Moss Point, Mississippi under programs of the federal government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Moss Point, Mississippi, it is not intended to and does not present the financial position, results of operations and cash flows of the City of Moss Point, Mississippi.

Note B - Summary of Significant Accounting Policies

1. General

The Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenditures when they are incurred. The expenditures are recognized following the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*.

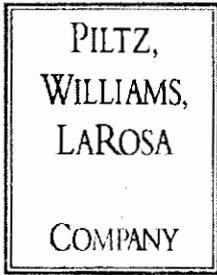
2. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

3. Loan and Loan Guarantees

In accordance with OMB Circular A-133, loans and loan guarantees include new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements.

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***



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**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Honorable Mayor and Board of Aldermen
City of Moss Point
Moss Point, 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 Moss Point, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Moss Point, Mississippi's basic financial statements, and have issued our report thereon dated June 20, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moss Point, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 weakness 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 Moss Point, 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

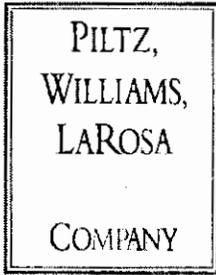
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Robert Williams, CPA". The signature is stylized and includes a large flourish at the end.

Certified Public Accountants

Biloxi, Mississippi
June 20, 2016

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by OMB Circular A-133**



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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Honorable Mayor and Board of Aldermen
City of Moss Point
Moss Point, Mississippi

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Report on Compliance for Each Major Federal Program

We have audited the City of Moss Point, Mississippi's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Moss Point, Mississippi's major federal programs for the year ended September 30, 2015. The City of Moss Point, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Moss Point, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Moss Point, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Moss Point, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Moss Point, Mississippi complied, in all material respects, with the types of 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying

schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

The City of Moss Point, Mississippi's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. This response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

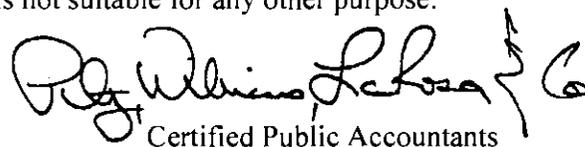
Report on Internal Control Over Compliance

Management of the City of Moss Point, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Moss Point, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control 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 first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Certified Public Accountants

Biloxi, Mississippi
June 20, 2016

City of Moss Point, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

Section 1 – Summary of Auditors’ Results

1. An unmodified opinion was issued on the financial statements.
2. The audit did not disclose any material weaknesses or reportable conditions over financial reporting
3. The audit did not disclose any noncompliance which is material to the basic financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. Audit findings which are required to be reported under Section 510(a) of OMB Circular A-133 are reported in Section III below.
7. The program tested as major was:

Coastal Impact Assistance Program	15.668
-----------------------------------	--------
8. The dollar threshold used to distinguish between Type A and Type B Programs was \$300,000.
9. The auditee does not qualify as a low-risk auditee.

Section 2 – Findings Relating to the Financial Statements

None

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City of Moss Point, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

Section 3 – Findings and Questioned Costs Relating to Major Federal Awards

Finding 15-1

Condition: The federal reporting deadline for the City's 2010 Single Audit Reporting Package was June 30, 2011; however the City's Single Audit Reporting Package for the fiscal year ended September 30, 2010 was not submitted until April 1, 2016.

Criteria: Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, §.320, requires the City to submit its Single Audit Reporting Package to the federal clearinghouse no later than 9 months after fiscal year-end, unless the City's federal oversight agency approves an extension of this deadline.

Cause: The late completion of the City's audit contributed to the late submission of its Single Audit Reporting Package.

Effect: The late submission affects all federal programs the City administered. However, this finding does not result in a control deficiency in internal control over compliance or noncompliance for the individual federal programs, as this was not caused by the programs' administration.

Recommendation: The City should improve its financial reporting process so that it can submit its Single Audit Reporting Package to the federal clearinghouse no later than 9 months after fiscal year-end.

Response: The City of Moss Point submitted the Single Audit Reporting Package for the fiscal year ended September 30, 2010 on April 1, 2016.

City of Moss Point, Mississippi
Summary Schedule of Prior Audit Findings
September 30, 2015

The following is an update of prior audit findings and is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(b).

Finding 14-1

Summary of prior audit finding: The federal reporting deadline for the City's 2010 Single Audit Reporting Package was June 30, 2011; however the City has not issued its Single Audit Reporting Package for the fiscal year ended September 30, 2010.

Status: Issue resolved. Single audit reporting package was submitted on April 1, 2016.

Finding 14-2

Coastal Impact Assistance Program, CFDA 15.668

Summary of prior audit finding: The City of Moss Point submitted an expense for reimbursement, related to a reimbursement grant, before the item had been paid for by the City.

Status: Issue resolved.

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CITY OF MOSS POINT

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Corrective Action Plan June 20, 2015

The City of Moss Point respectfully submits the following corrective action plan for the year ended September 30, 2014.

Name and address of independent public accounting firm: Piltz, Williams, LaRosa & Company 1077 Tommy Munro Drive, Biloxi, MS 39532

Audit period: Year Ended September 30, 2015

The findings from the September 30, 2015 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Section 1 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

SECTION 2 – Findings Relating to the Financial Statements

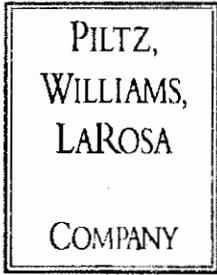
None

SECTION 3 – Findings and Questioned Cost Relating to Major Federal Awards

Finding 14-2 & Finding 15-1 The Federal reporting deadline for the City's 2010 Single Audit Reporting Package was June 30, 2011; however the City did not submit its Single Audit Reporting Package for fiscal year ended September 30, 2010, until April 1, 2016.

Recommendation: The City of Moss Point should ensure that Single Audit Reporting Packages are submitted by the June 30 deadline each year.

Action Taken: The City of Moss Point has ensured that the Single Audit Reporting Package for the year ended September 30, 2010 was submitted as of April 1, 2016. Additionally, the City of Moss Point has continued to work with its current auditor to ensure that reporting packages are submitted each year by the reporting deadline.



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Independent Auditors' Report on Compliance With State Laws and Regulations

Honorable Mayor and Board of Aldermen
City of Moss Point, Mississippi

We have audited the basic financial statements of the City of Moss Point, Mississippi, as of and for the year ended September 30, 2015, and have issued our report dated June 20, 2016. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

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. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants

Biloxi Mississippi
June 20, 2016

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