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April 16, 2013

State of Mississippi
Office of State Audit
Attention: Municipal Audit
P.O. Box 956
Jackson, MS 39205

To whom it may concern:

Enclosed is a copy of the City of Ridgeland's Comprehensive Annual Financial Report for the year ending September 30, 2012.

If you have any questions or comments, please feel free to contact me.

Thank you,

Ashley Burton Daniel
Finance Manager
City of Ridgeland, MS

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mailing address: p.o. box 217 • ridgeland, ms 39158
street address: 304 highway 51 • ridgeland, ms 39157
ph: 601.856.7113 • www.ridgelandms.org

Gene F. McGee, cmo - mayor • Paula W. Tierce, phr – human resources director/city clerk

board of aldermen: D.J. Smith - at - large • Ken Heard, cmo - ward 1 • Chuck Gautier - ward 2 • Kevin Holder - ward 3
Brian P. Ramsey - ward 4 • Scott Jones, mayor pro tempore - ward 5 • Wesley Hamlin - ward 6



CITY OF RIDGELAND, MISSISSIPPI



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2012

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Prepared by the Department of Finance and Administration

Paula W. Tierce, City Clerk
Ashley Daniel, Finance Manager

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2012
Table of Contents

<u>INTRODUCTORY SECTION</u>	<u>Page #</u>
Letter of Transmittal	11
GFOA Certificate of Achievement	15
Organization Chart	16
Listing of City Officials	17
Geographic Location	18
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report on the Basic Financial Statements and Supplemental Information	23
Management Discussion and Analysis (Required Supplementary Information)	26
 BASIC FINANCIAL STATEMENTS	
 Government-wide Financial Statements:	
Exhibit A-1 Statement of Net Assets	44
Exhibit A-2 Statement of Activities	45
 Fund Financial Statements:	
Exhibit A-3 Balance Sheet - Governmental Funds	46
Exhibit A-4 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	48
Exhibit A-5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	50
Exhibit A-6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	52
Exhibit A-7 Statement of Net Assets Proprietary Funds	53
Exhibit A-8 Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	54

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2012
Table of Contents

Exhibit A-9	
Statement of Cash Flows Proprietary Funds	55
Notes to the Financial Statements	57
Required Supplementary Information:	
Exhibit B-1	
General Fund	
Budgetary Comparison Schedule	94
Notes to the Required Supplementary Information	96
Other Supplementary Information	
Combining and Individual Fund Statements and Schedules:	
Exhibit C-1	
Combining Balance Sheet	
Nonmajor Governmental Funds	98
Exhibit C-2	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	
Nonmajor Governmental Funds	99
Exhibit C-3	
Forfeiture and Seizures Fund	
Special Revenue Fund	
Budgetary Comparison Schedule	101
Exhibit C-4	
Debt Service Fund	
Major Fund - Debt Service Fund	
Budgetary Comparison Schedule	104
Exhibit C-5	
Colony Park TIF Bond Debt Fund	
Major Fund - Debt Service Fund	
Budgetary Comparison Schedule	105
Exhibit C-6	
Combining Balance Sheet	
Nonmajor Debt Service Funds	106
Exhibit C-7	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Debt Service Funds	108

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2012
Table of Contents

Exhibit C-8
S.A. School Creek Intercept
Debt Service Fund
Budgetary Comparison Schedule 110

Exhibit C-9
Avery Boulevard Special Assessment Bond Fun
Debt Service Fund
Budgetary Comparison Schedule 111

Exhibit C-10
TIF Bond Debt Lowes
Debt Service Fund
Budgetary Comparison Schedule 112

Exhibit C-11
Combining Balance Sheet
Nonmajor Capital Projects Funds 116

Exhibit C-12
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Capital Projects Funds 120

Exhibit C-13
Longmeadow Drainage
Capital Projects Fund
Budgetary Comparison Schedule 125

Exhibit C-14
Madison Ridgeland Interchange
Capital Projects Fund
Budgetary Comparison Schedule 126

Exhibit C-15
2004 6 Mil Bond Issue Fund
Capital Project Fund
Budgetary Comparison Schedule 127

Exhibit C-16
Sunnybrook Sewer Extension
Capital Projects Fund
Budgetary Comparison Schedule 128

Exhibit C-17
Lake Harbour Recon 51 to NP
Capital Projects Fund
Budgetary Comparison Schedule 129

Exhibit C-18
Centre St.Ridgewood Signal

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2012
Table of Contents

Capital Projects Fund Budgetary Comparison Schedule	130
Exhibit C-19	
Pear Orchard Rice Road Signal Capital Projects Fund Budgetary Comparison Schedule	131
Exhibit C-20	
Lake Harbor Dr. Ext. Capital Projects Fund Budgetary Comparison Schedule	132
Exhibit C-21	
Highland Colony Overlay Fund Capital Projects Fund Budgetary Comparison Schedule	133
Exhibit C-22	
Culley-Brashear Creek Capital Projects Fund Budgetary Comparison Schedule	134
Exhibit C-23	
City Center Fund Capital Projects Fund Budgetary Comparison Schedule	135
Exhibit C-24	
Universal DES Playground Capital Projects Fund Budgetary Comparison Schedule	136
Exhibit C-25	
Craft Center Parking Lot Capital Projects Fund Budgetary Comparison Schedule	137
Exhibit C-26	
5.7 Mil Bond Issue Fund Capital Projects Fund Budgetary Comparison Schedule	138
Exhibit C-27	
Rice Road Trail Head Improvements Capital Projects Fund Budgetary Comparison Schedule	139
Exhibit C-28	
W/Oak Creek Dinsmor Sewer Extension Capital Projects Fund Budgetary Comparison Schedule	140

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APR 19 2013

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2012
Table of Contents

Exhibit C-29	
Public Utility Fund	
Enterprise Fund	
Budgetary Comparison Schedule	143
Exhibit C-30	
Combining Statement of Net Assets	
Internal Service Funds	145
Exhibit C-31	
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	
Internal Service Funds	146
Exhibit C-32	
Combining Statement of Cash Flows	
Internal Service Funds	147
Exhibit C-33	
EMCRS Operations	
Internal Service Fund	
Budgetary Comparison Schedule	148
Exhibit C-34	
Insurance Trust Fund	
Internal Service Fund	
Budgetary Comparison Schedule	149
Schedule D-1: Schedule of Investments - All Funds	150
Schedule D-2: Schedule of Surety Bonds for Municipal Employees	151
Schedule D-3: Schedule of Long-term Debt	152
Schedule D-4: Schedule of Federal Financial Assistance	153

STATISTICAL SECTION

Table 1: General Governmental Expenditures by function	159
Table 2: General Revenues by Source	160
Table 3: Fund Balance and Net Assets Information	161
Table 4: Schedule of Changes in Net Assets, Last Five Fiscal Years	162
Table 5: Schedule of Changes in Fund Balance	163
Table 6: Property Tax Levies and Collections	164
Table 7: Assessed and Actual Value of Property	165
Table 8: Property Tax Rates - Direct and Overlapping Governments	166
Table 9: Principal Taxpayers	167
Table 10: Special Assessment Billings and Collections	168

City of Ridgeland, Mississippi
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 September 30, 2012
Table of Contents

Table 11: Computation of Direct and Overlapping Bonded Debt	169
Table 12: Ratios of Outstanding Debt by Type	170
Table 13: Legal Debt Margin Information	171
Table 14: Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	172
Table 15: Ratio of Annual Debt Service Expenditures for G.O. Bonded Debt to Total Governmental Expenditures	173
Table 16: Construction Activity	174
Table 17: Property Value and Construction	175
Table 18: Demographic and Economic Statistics	176
Table 19: Education Related Information	177
Table 20: Principal Employers	178
Table 21: Full-time Equivalent Government Employees by Function	179
Table 22: Operating Indicators by Function	180
Table 23: Capital Assets Indicators by Function	181
Table 24: Miscellaneous Statistics	182

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Independent Auditor's Report on the Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	184
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control over Compliance in Accordance with OMB Circular A-133	186
Independent Auditor's Report on Compliance with State Laws and Regulations	188
Schedule of Findings and Questioned Costs	190

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March 14, 2013

To the Citizens of the City of Ridgeland, Mississippi:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgeland, Mississippi, for the fiscal year ended September 30, 2012. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the City's management. This report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The City is responsible for establishing and maintaining internal controls to ensure that adequate accounting data is compiled to allow preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits likely to be derived, internal controls have been implemented to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements. We believe the information as presented is complete and accurate.

Fortenberry & Ballard, PC, Certified Public Accountants, performed an examination, 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, of the City's basic financial statements. Their unqualified opinion is presented as the first page of the financial section of this report. Also, as required by federal law, a single audit was conducted and the report includes a report on compliance and internal control over compliance on major federal program funds expended by the City.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the auditor's report.

Profile of the Government

The City of Ridgeland, Incorporated in 1899, is located in central Mississippi in south Madison County. With a land area of 21.87 square miles the City has grown rapidly since 1980, almost doubling its population from a 2000 census figure of 20,173 to a 2010 census figure of 24,047.

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mailing address: p.o. box 217 • ridgeland, ms 39158
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Gene F. McGee, cmo - mayor • Paula Tierce, city clerk

board of aldermen: D.I. Smith - at - large • Ken Heard, cmo - ward 1 • Chuck Gautier - ward 2 • Kevin Holder - ward 3
Brian P. Ramsey - ward 4 • Scott Jones, mayor pro tempore - ward 5 • Wesley Hamlin - ward 6

The Ross Barnett Reservoir, a major recreational area, adjoins Ridgeland to the east and the Natchez Trace Parkway a federal park commemorating the historical route from Natchez, Mississippi to Nashville, Tennessee goes through the heart of the city.

Ridgeland is a code-charter municipality, operating under a Mayor/Board of Aldermen form of government. The Mayor is full-time and is elected at-large. Of the seven aldermen, six are elected by ward, and one is elected at-large. The Mayor and Board serve concurrent four-year terms. The next city-wide general election will be held in June 2013.

The financial statements present information on the financial position and operations of the City as a single comprehensive reporting entity. The City provides a full range of services to enhance and protect the lives of its citizens. The services include, police and fire protection, water and sewer services, construction and maintenance of streets and infrastructure, planning and zoning, recreational and cultural services, and general administrative services.

The City maintains specific budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Board of Aldermen. Activities of the general funds, debt service funds, capital projects funds, and enterprise funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures can not legally exceed the appropriated amount) is established by major expenditure classifications within departments. These major classifications are Personnel Services, Supplies, Other Charges and Services, and Capital Outlay. Changes in the appropriated amount of any major classification requires approval of the governing body; however, equal transfers between line items within a classification may be approved by the Director of Finance and Administration.

Factors Affecting Financial Condition

The City of Ridgeland is in one of the fastest-growing areas of the state. The City has seen steady economic growth during the 1980's and through 2012. The City of Ridgeland has not been hit as hard by the current recession as have other cities where housing, auto, or financial crisis have been concentrated. Still, the drop in unemployment in the City appears to show that the recession has bottomed out here, as in the rest of the State. The value of the building permits issued had decreased but retail sales are stabilizing and the rate of job loss is slowing.

Ridgeland continues to enjoy a balanced mix of residential and commercial development. The opening of 950,000 square foot Northpark mall in 1985 was the catalyst for a retail building boom in this area. Other commercial development quickly followed, with an associated increase in residential construction. In 2002 Madison County saw the beginning operations of a \$930 million Nissan production plant which employs as many as four thousand employees in its automotive production facilities. The Renaissance shopping center opened in 2008 with over 500,000 square feet of retail shopping space.

Madison County and adjacent Hinds and Rankin counties comprise what is known informally as the "Metro area". Ridgeland is in the fortunate position of having one of the lowest property tax rates in the area, which has remained unchanged since 1992.

Long-Term Financial Planning

In 2008 a long-term strategic plan was adopted with input from citizens and the business community. Continued improvement of transportation infrastructure and neighborhood revitalization will be the primary focus during the coming years. As with any rapidly-growing municipality, the City has been faced with keeping up with current demands for services, as well as planning for long-term growth.

Major Initiatives

There are currently 12.87 miles of multi-use trails and 2 miles of bike lanes in the City of Ridgeland. The City is in the process of constructing 3.3 additional miles of multi-use trails to be completed in 2014.

In 2007, the City issued \$19,365,000 in bonds for improvement to the water and sewer system, widening Lake Harbour Drive to five lanes, and other miscellaneous drainage, roadway, and park improvements. Construction is either completed, underway or soon to be underway on each of these projects.

In 2011, the City issued \$5,825,000 in bonds for the design and construction of a new City Center, which was selected as the priority project by the citizen-based Master Plan Steering Committee. The City is currently in the process of removing the above and below-ground concrete that was left by the former concrete bridge beam construction company. The 2011 bonds are also funding the construction of an open-air pavilion at the multi-use trail head. The pavilion includes picnic tables, restrooms, a bike rack and a bike repair station.

Mississippi law limits the amount of general obligation debt a municipality may issue to 15% of total assessed valuation. With an assessed valuation of \$420,687,790 Ridgeland's margin for further issuance of general obligation debt is \$42,269,009 as of September 30, 2012.

Moody's Investors Service, widely regarded as one of the top three companies in financial research and analysis, has assigned an Aa2 rating to the City of Ridgeland's Bonds. Aa2 is categorized as high-grade for long-term debt ratings and Prime-1 (highest quality) for short-term debt ratings. Aa2 is subject to very low credit risk. This is the highest bond rating among cities in the State of Mississippi.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgeland for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting

principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the nineteenth consecutive year that the government has achieved this prestigious award. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The preparation of this report on a timely basis could not have been accomplished without the cooperation of the entire staff of the Department of Finance and Administration. We also wish to express our appreciation for the cooperation of the other City departments in providing information for this report.

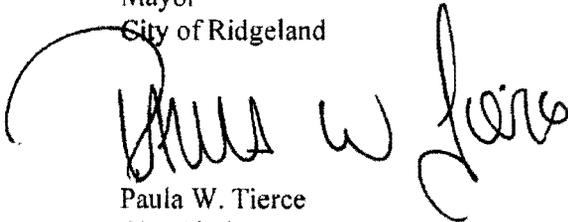
We acknowledge the thorough and professional manner in which the audit was conducted by our independent auditors, Fortenberry & Ballard, P.C. and their contribution toward the preparation of this CAFR.

Finally, we acknowledge the Board of Aldermen who have consistently supported the City's goal of excellence in all aspects of financial management. Their continuing interest and support are greatly appreciated.

Respectfully yours,



Gene F. McGee
Mayor
City of Ridgeland



Paula W. Tierce
City Clerk
City of Ridgeland

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ridgeland
Mississippi

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emmer

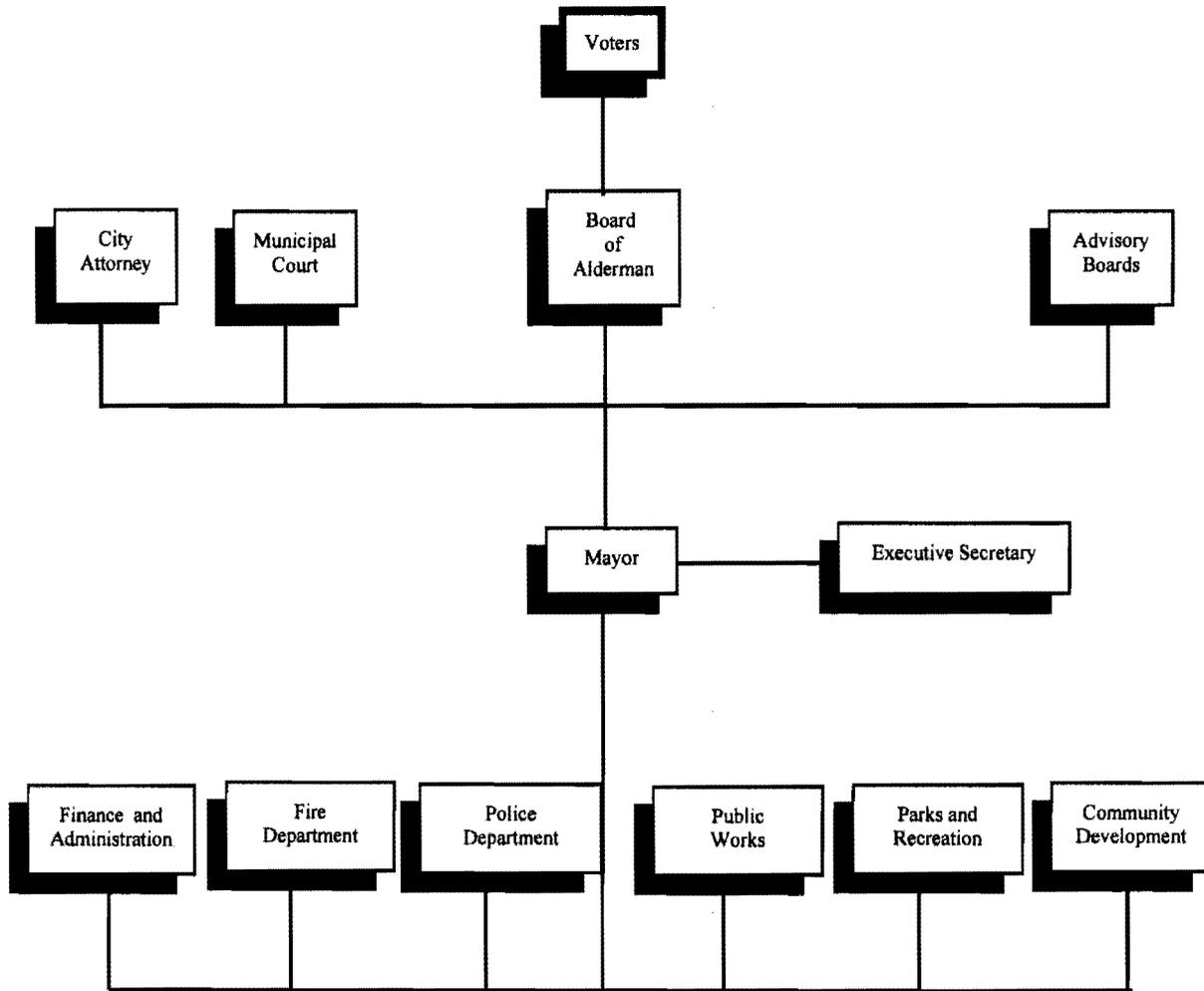
Executive Director

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CITY OF RIDGELAND

ORGANIZATION CHART



CITY OF RIDGELAND, MISSISSIPPI
Listing of City Officials
As of September 30, 2012

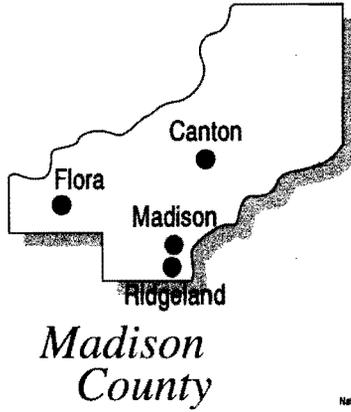
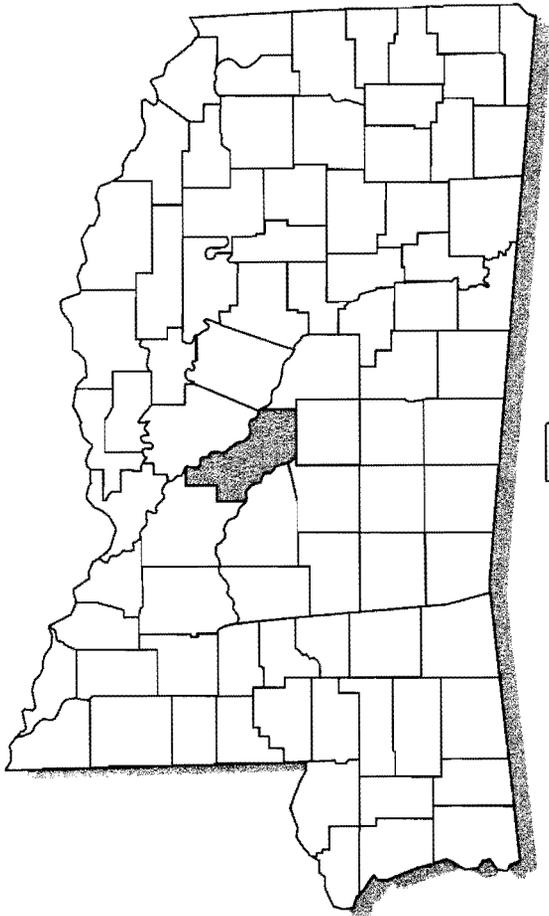
Elected Officials

Mayor	Gene F. McGee
Alderman - Ward 1	Ken Heard
Alderman - Ward 2	Chuck Gautier
Alderman - Ward 3	Kevin Holder
Alderman - Ward 4	Brian Ramsey
Alderman - Ward 5, Mayor Pro Tempore	Scott Jones
Alderman - Ward 6	Wesley Hamlin
Alderman - At-Large	DI Smith

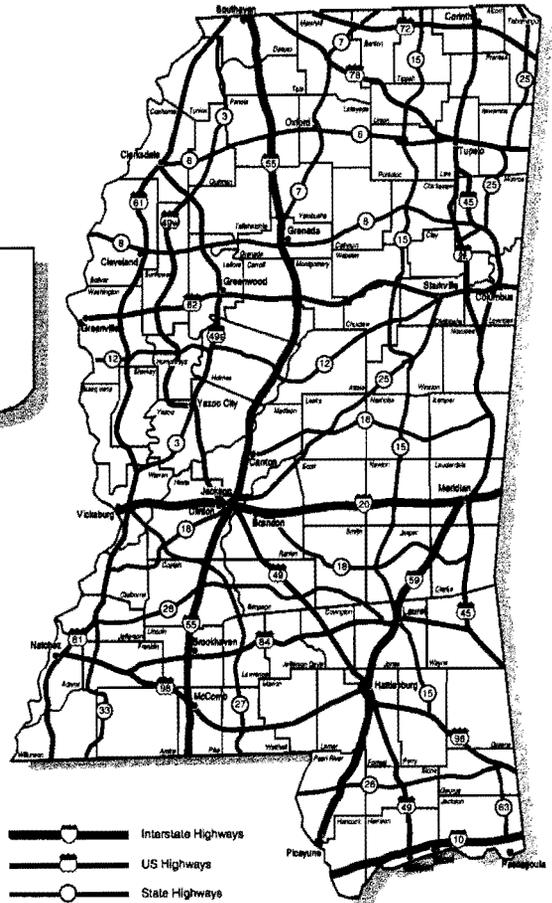
Appointed Officials

City Clerk	Paula W. Tierce
Public Works Director	John M. McCollum
Chief of Police	Jimmy R. Houston
Fire Chief	Matthew Bailey
Parks and Recreation Director	Christopher Chance
Community Development Director	Alan Hart
City Attorney	Jerry L. Mills
City Judge	Hal McCarley
City Prosecutor	Boty McDonald

County Location

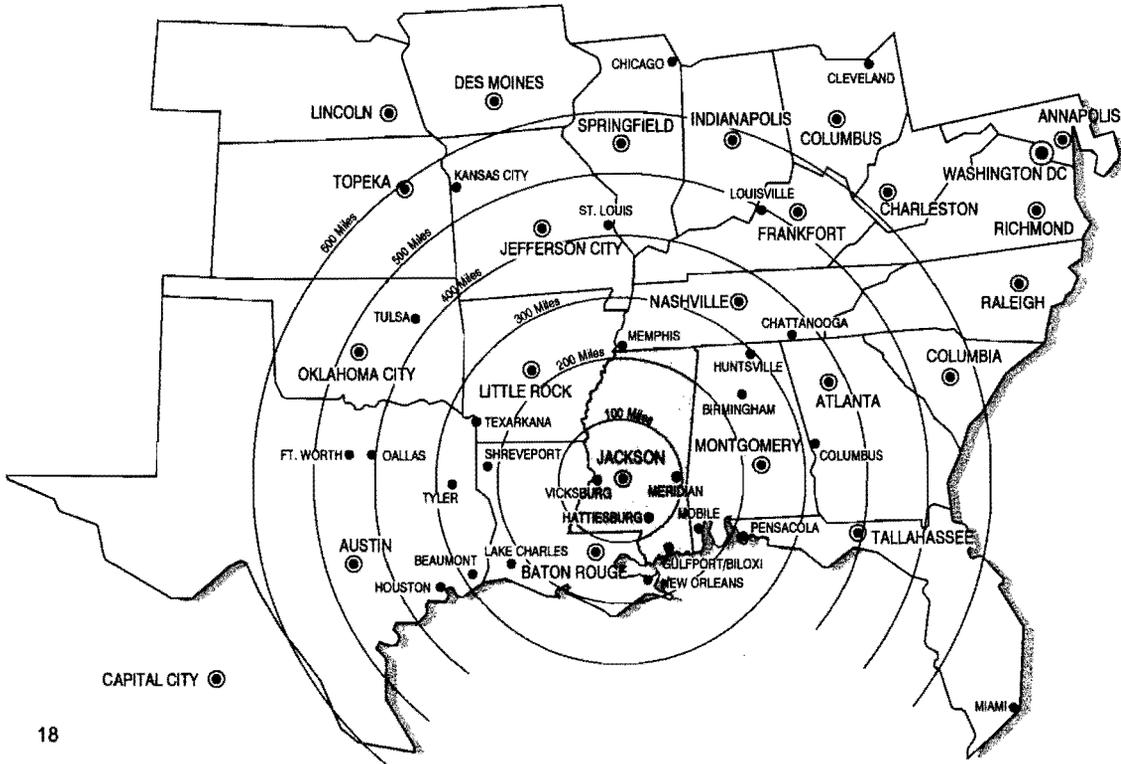


Federal/State Highways



- Interstate Highways
- US Highways
- State Highways

Regional Map



City of Ridgeland, Mississippi

Audited Financial Statements
September 30, 2012

FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION

Mayor and Board of Aldermen
City of Ridgeland, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ridgeland, Mississippi, as of and for the year ended September 30, 2012, which collectively comprise the City of Ridgeland's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ridgeland's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Ridgeland, Mississippi, as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2013 on our consideration of the City of Ridgeland'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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 inquires 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ridgeland's financial statements as a whole. The introductory section, the budgetary comparison information, the combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the financial statements. The budgetary comparison information, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical 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 it.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 14, 2013

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

The following discussion and analysis of the City of Ridgeland's financial performance provides an overview of the City's financial activities for the year ended September 30, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Total net assets increased \$54,268, including a prior period adjustment of (\$1,399,235), which represents a .03% increase from fiscal year 2011. Total net assets increased \$2,131,484, including a prior period adjustment of \$2,309,298, which represents a 1% increase from fiscal year 2010.
- General revenues account for \$26,314,707, or 69% of all revenues in 2012. General revenues account for \$23,163,547, or 66% of all revenues in 2011. Program specific revenues in the form of charges for services and grants and contributions accounted for \$12,081,591 or 31% of total revenues in 2012, compared with \$12,159,410 or 34% of total revenues in 2011.
- The City had \$36,942,795 in expenses, an amount that increased when compared with the \$35,500,771 in expenses for the prior year; \$12,081,591 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$26,314,707 were adequate to provide for these programs in 2012. However, general revenues of \$23,163,547 were not adequate to provide for these programs in 2011.
- Among the major funds, the General Fund had \$21,038,924 in revenues and \$20,693,130 in expenditures. In 2011 the General Fund had \$21,227,540 in revenues and \$20,825,463 in expenditures. The General Fund's fund balance increased by \$61,593 from 2011 to 2012 and increased by \$344,819 from 2010 to 2011.
- The Enterprise Fund - Public Utility Fund had \$6,001,457 in revenues and \$5,218,942 in expenses. Its net loss was \$925,067 after non-operating revenues, transfers and prior period adjustments were included. Last year it showed \$6,284,449 in revenues and \$4,553,782 in expenses. Its net income was \$3,694,829 after non-operating revenues and prior period adjustments were included.
- Capital assets, net of accumulated depreciation, decreased by \$1,898,207 in the governmental activities, including the effect of the Internal Service Fund that is accounted for with the governmental activities. This decrease in the governmental activities was primarily because of depreciation expense. Capital assets, net of accumulated depreciation, increased by \$2,972,611 from 2010 to 2011.
- Capital assets increased \$1,144,293 in the business-type activities mainly due to addition to capital assets including construction in progress projects of Livingston Road Water

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Improvements, West Sewer/White Oak Interceptor and School Street/Wheatley Street Utility Relocation. Capital assets increased \$3,073,194 in the business-type activities from 2010 to 2011.

- Long-term debt decreased by \$3,426,676 in the governmental activities from 2011 to 2012. The decrease in the governmental activities was mainly due to payments on outstanding debt. Long-term debt decreased by \$2,852,891 in the governmental activities from 2010 to 2011.
- Long-term debt increased by \$791,065 in the business-type activities from 2011 to 2012. This increase was related mainly to the adjustments made to record debt issued in prior years that have not been recorded. Long-term debt decreased by \$924,825 in the business-type activities from 2010 to 2011.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Ridgeland as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of Ridgeland as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answers this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the City as a whole, the financial

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, all of the City's activities are reported in Governmental Activities and Business-type Activities, which include all of the City's services including police, fire, administration, water and sewer service and all other departments.

The City of Ridgeland has no Component units as defined by the Governmental Accounting Standard Board (GASB).

Reporting the City of Ridgeland's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds, which account for the multitude of services provided to the City's residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ridgeland, the City's major funds are the General, the Debt Service Fund, and Colony Park TIF Bond Debt.

Governmental Funds

All of the City's non-proprietary activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. 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. 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 you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the City's residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

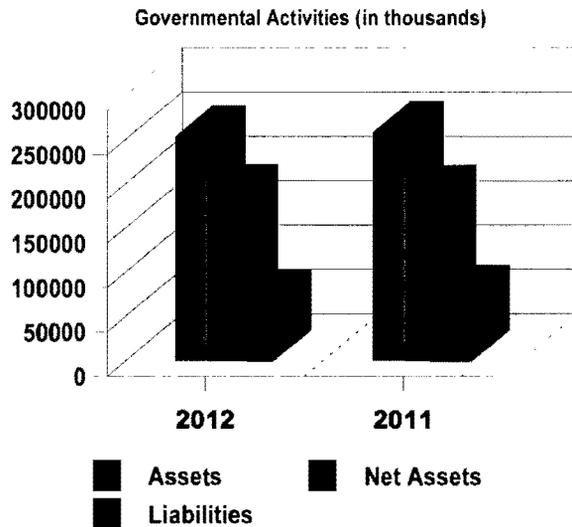
The City of Ridgeland as a Whole

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time the trend as well as the amount of net assets may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$215,081,647 at September 30, 2012.

The following chart depicts the total amount of assets, liabilities, and net assets as of September 30, 2012 and 2011.

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012



The largest portion of the City's net assets for governmental activities (\$177,810,478 or 96%) reflect its investment in capital assets less any capital related outstanding debt used to acquire those capital assets. Although the City's investment in capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and not the capital assets themselves.

The following are significant current year transactions that have had an impact on the Government-Wide Statement of Net Assets - Governmental Activities.

- The \$3,473,604 retirement of principal of long-term debt.
- The refunding of a public improvement bonds in the amount of \$3,240,000 and proceeds received in the amount of \$3,230,000.

The table below shows a comparative analysis of the assets, liabilities, and net assets for the Government-Wide Statement of Net Assets.

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Government-Wide Comparative Analysis
Governmental Activities

	<u>September 30, 2012</u>	<u>September 30, 2011</u>	<u>Percentage Change</u>
Assets:			
Current Assets	\$ 20,255,889	21,842,283	-7%
Other Assets	33,286,453	34,830,116	-4%
Capital Assets	199,027,821	200,926,028	-1%
Total Assets	<u>252,570,163</u>	<u>257,598,427</u>	-2%
Liabilities:			
Current Liabilities	6,171,397	7,057,352	-13%
Other Liabilities	36,031,253	37,653,147	-4%
Long-Term Liabilities	24,205,632	27,705,382	-13%
Total Liabilities	<u>66,408,282</u>	<u>72,415,881</u>	-8%
Net Assets:			
Invested in Capital Assets, net of Related Debt	177,810,478	176,162,954	1%
Restricted	1,068,499	923,197	16%
Unrestricted	7,282,904	8,096,395	-10%
Total Net Assets	<u>\$ 186,161,881</u>	<u>185,182,546</u>	1%

The following table depicts the revenues by major sources extracted from the government-wide statement of operating activities - governmental activities column.

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Government-Wide Analysis
Governmental Activities

	<u>Year Ended</u> <u>September 30, 2012</u>	<u>Year Ended</u> <u>September 30, 2011</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 5,154,829	5,321,863	(3)%
Operating grants and contributions	167,048	325,835	(49)%
Capital grants and contributions	439,969	227,263	94%
Total Program Revenues	<u>5,761,846</u>	<u>5,874,961</u>	(2)%
General Revenues:			
Intergovernmental / Unrestricted	10,360,517	10,193,709	2%
Property Taxes	10,254,456	10,088,629	2%
Other Taxes	613,215	586,236	5%
Other Participation	1,391,632		
Unrestricted Investment Income	362,606	287,157	26%
Other	2,890,602	1,605,181	80%
Transfers	188,636		
Total General Revenues	<u>26,061,664</u>	<u>22,760,912</u>	15%
Total Revenues	<u>31,823,510</u>	<u>28,635,873</u>	11%
Expenses:			
General Government	3,228,505	4,521,154	(29)%
Public Safety	12,814,753	12,087,140	6%
Public Services	6,361,475	6,287,857	1%
Sanitation	1,190,088	1,068,017	11%
Culture and Recreation	2,651,248	2,585,834	3%
Interest on long-term debt	4,527,589	3,634,380	25%
Total Expenses	<u>30,773,658</u>	<u>30,184,382</u>	2%
Increase (decrease) in net assets	<u>1,049,852</u>	<u>(1,548,509)</u>	(168)%
Net Assets, Beginning	185,182,546	186,745,891	(1)%
Prior Period Adjustment	(70,517)	(14,836)	375%
Net Assets, Restated	<u>185,112,029</u>	<u>186,731,055</u>	(1)%
Net Assets, Ending	<u>\$ 186,161,881</u>	<u>185,182,546</u>	1%

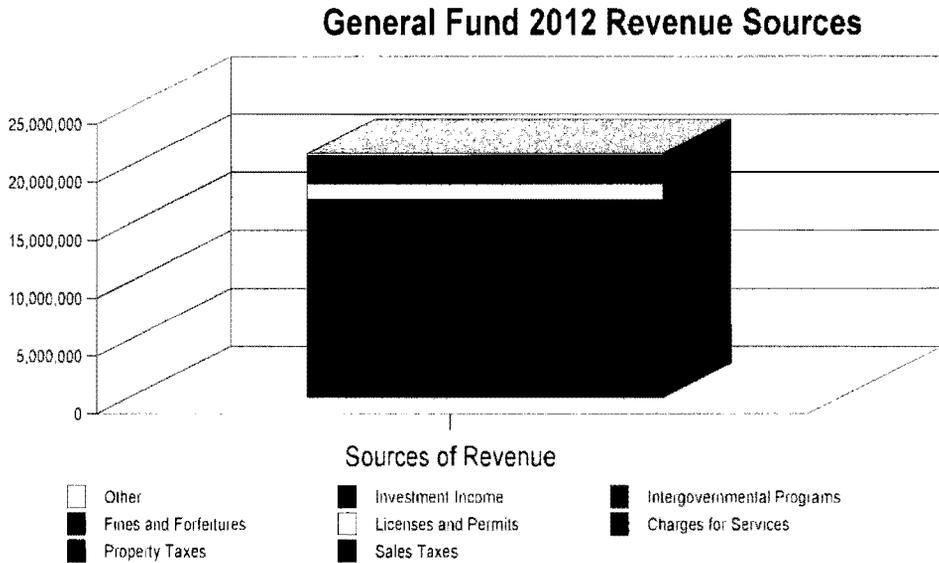
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City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

GENERAL GOVERNMENT FUNCTIONS

The City's General Fund is used to account for expenditures of traditional services as well as all financial resources other than those required to be accounted for in other funds. General Fund revenues include property tax, intergovernmental revenues, various permit fees, franchise taxes, fines, and other sources as indicated on the accompanying graphs and schedules.



Revenues

The primary source of General Fund revenues is sales tax. The State of Mississippi levies a general sales tax of 7% on most retail sales. Of the amount collected by the state, each municipality receives 18.5% of the amount collected within its corporate boundaries. Sales tax accounted for 49% of General Fund revenues in fiscal year 2012, compared to 48% in fiscal year 2011. Sales tax collections in fiscal year 2012 were \$10,360,517, a 2% increase over the \$10,193,709 collected in 2011. Total General Fund operating revenues were \$21,038,924, a decrease of \$188,616 over the prior year mainly due to the decrease in intergovernmental revenues, mainly police department grants.

Assessed valuation within the City has decreased slightly, 3% from fiscal year 2011. The City continues to attract residents and business alike.

Expenditures

General Fund operating expenditures were \$20,693,130, a decrease of \$132,333 when compared to the prior year. The following schedule presents the General Fund revenues and expenditures for the year ended September 30, 2012, and the amount and percentage of change from 2011.

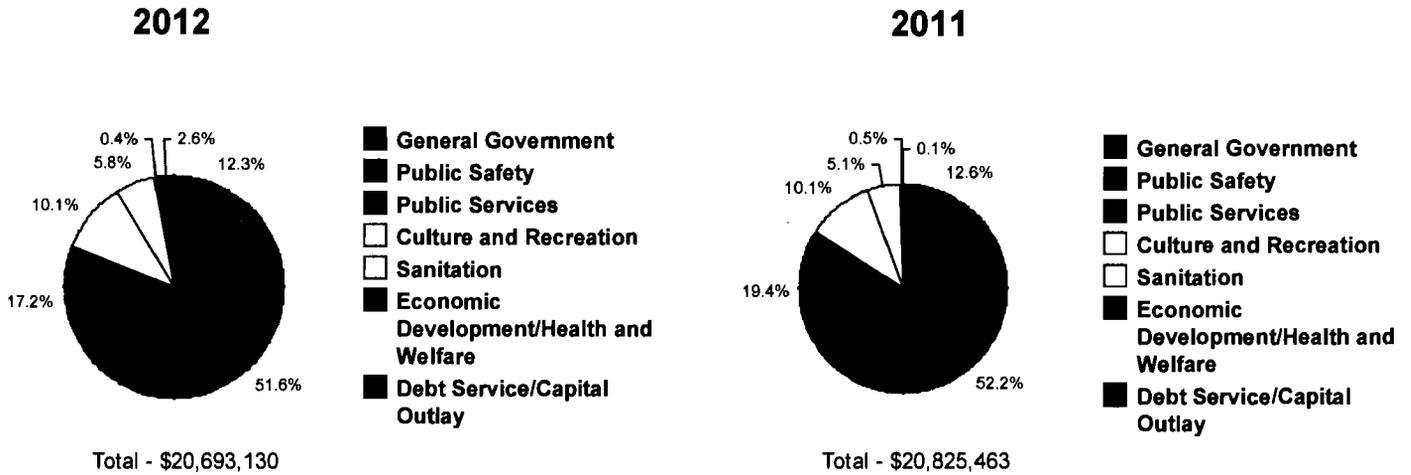
City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

GENERAL FUND (GAAP BASIS)
(in thousands)

	2012 Amount	2011 Amount	Dollar Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
Revenues:				
Sales Tax	\$ 10,361	\$ 10,194	\$167	1.6%
Property Tax	4,846	4,850	(4)	(0.1)%
Licenses and Permits	1,416	1,440	(24)	(1.7)%
Intergovernmental	845	1,142	(297)	(26.0)%
Charges for Services	1,817	1,780	37	2.1%
Fines	1,316	1,442	(126)	(8.7)%
Interest Earned	265	249	16	6.4%
Other	172	130	42	32.3%
Total Revenues	\$ 21,038	\$ 21,227	\$ (189)	(0.9)%
Expenditures:				
General Government	\$ 2,553	\$ 2,624	\$ (71)	(2.7)%
Public Safety	10,687	10,862	(175)	(1.6)%
Public Services	3,554	4,047	(493)	(12.2)%
Sanitation	1,190	1,068	122	11.4%
Health and Welfare	39	45	(6)	(13.3)%
Culture and Recreation	2,090	2,108	(18)	(0.9)%
Economic Development	38	53	(15)	(28.3)%
Capital Outlay	468	8	460	5750.0%
Debt Service	74	11	63	572.7%
TOTAL EXPENDITURES	\$ 20,693	\$ 20,826	\$ (133)	(0.6)%

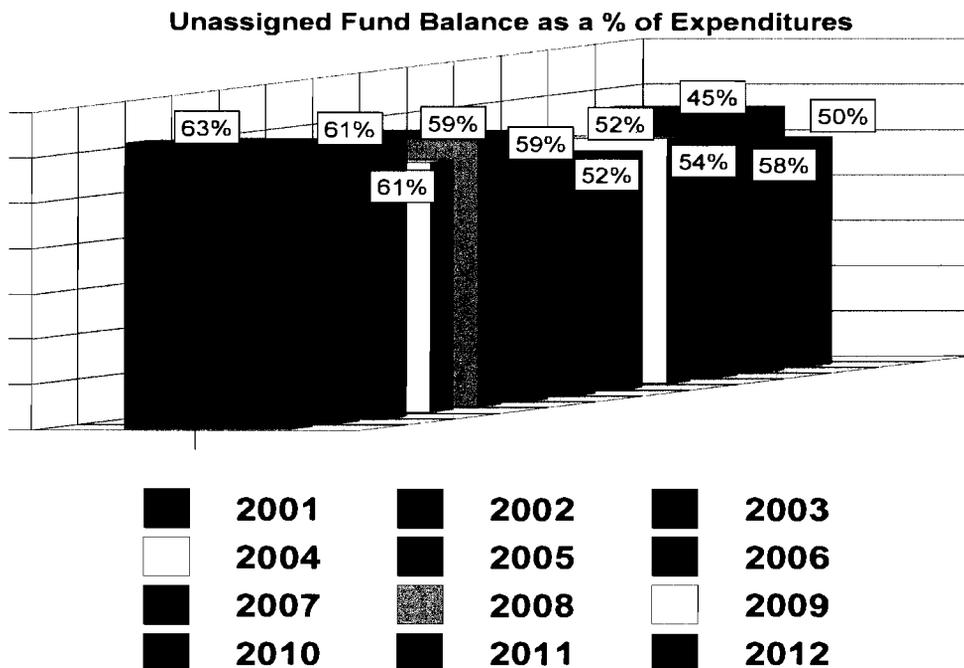
City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

The following chart displays the expenditures by department in the General Fund:



Status of Fund Balance

On the General Fund balance sheet, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The remaining portion which is available for appropriation. The fiscal year ended September 30, 2012 ending unassigned fund balance is \$12,936,600 which is 63% of the general fund operating expenditures.



City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Other Governmental Funds

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$14,382,506, a decrease of \$946,193 due primarily to the payment to refunded debt escrow agent. \$562,577 or 4% of the fund balance is unassigned fund balance, which represents the residual classification fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes. The remaining fund balance of \$13,819,930 or 96% is either nonspendable, restricted or assigned to indicate that is not available for spending except only for the purposes to which it is restricted, committed or assigned.

Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. This year the City of Ridgeland had a positive \$12,936,600 unassigned fund balance in the general fund, which constitutes 90% of the total fund balance in the governmental funds. However, there were several capital project funds with negative ending fund balances. Statement No. 54 indicates that if there is a negative balance after classifying amounts as nonspendable, restricted or committed, the fund would report a negative amount as unassigned. This is the case in the City of Ridgeland and as such, the total ending unassigned fund balance represents 4% of the total fund balance in the governmental funds.

The decrease in the Debt Service Fund was \$893,655. The reason for this decrease was due to increase in interest paid on debt. The Colony Park TIF Bond Debt did not show an increase or decrease during the year. The fund balance of Other Governmental Funds showed a decrease of \$114,131, including a prior period adjustment of (\$69,652). The reason for this decrease was mainly due to an increase in expenditures for capital projects.

PROPRIETARY FUNDS

Ridgeland's proprietary operations consist of the Public Utility Revenue Fund, the East Madison County Regional Sewer Fund and the Insurance Trust Fund. The Public Utility Revenue Fund accounts for traditional water and sewer revenues and expenditures to construct and maintain a water and sewer system.

The East Madison County Regional Sewer Fund was created through an agreement between Ridgeland, Madison, and the Pearl River Valley Water Supply District whereby all sewerage is sent through interceptor lines to be treated at the City of Jackson treatment plant. All entities involved collect a separate sewer fee for this service and submit the fee to Ridgeland monthly. Ridgeland maintains the accounting records, forwards payments to the City of Jackson, and performs maintenance on the system.

The Insurance Trust Fund accounts for the City's self insured employee health insurance program.

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

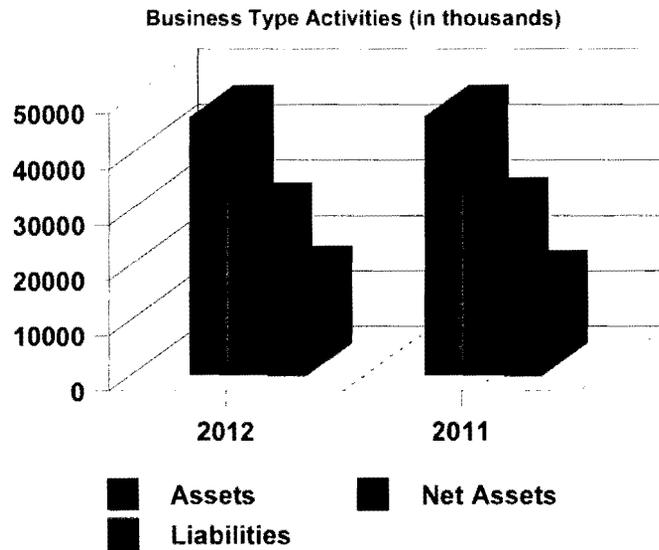
The following is a comparative analysis of the assets, liabilities, and net assets for the business type activity statements.

Government-Wide Comparative Analysis
Business-Type Activities

	September 30, 2012	September 30, 2011	Percentage Change
Assets:			
Current Assets	\$ 11,726,104	12,989,077	-10%
Capital Assets	34,681,926	33,537,633	3%
Total Assets	<u>46,408,030</u>	<u>46,526,710</u>	0%
Liabilities:			
Current Liabilities	1,607,772	1,518,036	6%
Long-Term Liabilities	15,880,492	15,163,841	5%
Total Liabilities	<u>17,488,264</u>	<u>16,681,877</u>	5%
Net Assets:			
Invested in Capital Assets, Net of Related Debt	17,900,548	17,548,068	2%
Restricted	1,532,325	4,807,883	-68%
Unrestricted	9,486,893	7,488,882	27%
Total Net Assets	<u>\$ 28,919,766</u>	<u>29,844,833</u>	-3%

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

The following chart shows the assets, liabilities, and net assets for the government wide statements, business-type activities.



The following are significant current year transactions that have had an impact on the Government-Wide Statement of Net Assets - Business - Type Activities.

- The \$899,747 retirement of principal of long-term debt.
- The recording of a prior period adjustment in the amount of (\$1,329,814) to reflect debt issued in prior years but not recorded in the City's books.
- Issuance of a new loan for the Madison County Waste Water Authority in the amount of \$363,006.

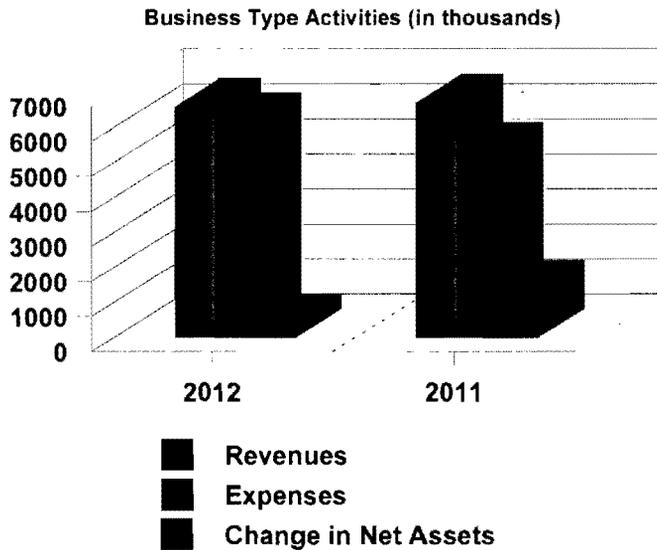
City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Below is a comparative analysis of the revenues and expenses of the government wide statements - business type activities column.

Government-Wide Analysis
Business-Type Activities

	<u>Year Ended</u> <u>September 30, 2012</u>	<u>Year Ended</u> <u>September 30, 2011</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,651,266	6,284,449	(10)%
Capital grants and contributions	668,479		
Total program revenues	<u>6,319,745</u>	<u>6,284,449</u>	1%
General revenues:			
Unrestricted investment income	76,919	167,933	(54)%
Other	364,760	234,702	55%
Transfers	(188,636)		
Total general revenues	<u>253,043</u>	<u>402,635</u>	(37)%
Total revenues	<u>6,572,788</u>	<u>6,687,084</u>	(2)%
Expenses:			
Public Utility	6,169,137	5,316,389	16%
Total expenses	<u>6,169,137</u>	<u>5,316,389</u>	16%
Increase (decrease) in net assets	<u>403,651</u>	<u>1,370,695</u>	(71)%
Net Assets - Beginning	29,844,833	26,150,004	14%
Prior Period Adjustment	(1,328,718)	2,324,114	
Net Assets, Restated	<u>28,516,115</u>	<u>28,474,118</u>	0%
Net Assets - Ending	<u>\$ 28,919,766</u>	<u>29,844,813</u>	(3)%

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012



Public Utility Revenue Fund

The City operates its own water utility system, obtaining water from several ground water wells. Comparative financial data for the Public Utility Revenue Fund for the last two fiscal years is presented below.

		September 30, 2012	September 30, 2011
Operating Revenues	\$	6,001,457	6,284,449
Operating Expenses		(5,218,942)	(4,553,782)
Operating Income	\$	782,515	1,730,667

East Madison County Regional Sewer Fund

As previously stated this fund is used to account for monies collected from Ridgeland customers, Madison, and the Pearl River Valley Water Supply District for operation and maintenance of the regional sewer, and for payments to the City of Jackson for treatment of sewerage at their treatment plant. The amount each entity contributes is based on flow which is metered at various locations.

Comparative financial data for the East Madison County Regional Sewer Fund for the last two years is presented as follows:

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City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

		September 30, 2012	September 30, 2011
Operating Revenues	\$	1,713,581	450,266
Operating Expenses		(1,798,259)	(1,183,590)
Operating Income	\$	(84,678)	(733,324)

General Fund Budgeting Highlights

The City's budget is prepared according to Mississippi's law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2012, the City budgeted its general fund expenditures taking into consideration the need to repair additional streets and purchase additional capital equipment.

An analysis of the final budget to actual budget variances reveal consistent cost saving at each department level as detailed at Exhibit B-1.

The City of Ridgeland's ending unencumbered cash balance in the general fund was \$9,440,946.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS

Governmental Activities:

Capital Assets
(Net of Depreciation)

		September 30, 2012	September 30, 2011	Percentage Change
Land	\$	110,640,181	110,383,612	0%
Construction in Progress		6,813,637	7,267,608	-6%
Buildings		10,916,009	11,225,132	-3%
Improvements		6,314,060	6,439,218	-2%
Infrastructure		59,519,761	60,431,532	-2%
Utility Systems (ISF)		1,745,566	1,843,354	-5%
Vehicles		2,090,746	2,253,687	-7%
Furniture and Equipment		987,861	1,081,885	-9%
Total	\$	199,027,821	200,926,028	-1%

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

The capital assets total include the \$117,438,193 Land and Construction in Progress, the other capital assets \$79,828,437 and the amount of \$15,625 in construction in progress for the Internal Service Fund (ISF) and other capital assets in the amount of \$1,745,566 for a total of \$199,027,821 capital assets as reported in the Governmental Activities column of the Statement of Net Assets.

Governmental Activities:

At September 30, 2012, the City of Ridgeland had \$21,348,562 in outstanding General Obligation Bonds, and \$5,852,627 in other Long-Term Debt. The City's overall legal debt margin at September 30, 2012 was \$63,103,169.

Outstanding Notes and Long-Term Obligations at Year End

	<u>September 30, 2012</u>	<u>September 30, 2011</u>	<u>Percentage Change</u>
General Obligation Bonds	\$ 21,348,562	24,013,647	-11%
Other Long-Term Debt	5,852,627	6,616,652	-12%
Compensated Absences	573,746	571,312	0%
Total	\$ 27,774,935	31,201,611	-11%

Business-Type Activities:

Capital Assets
(Net of Depreciation)

	<u>September 30, 2012</u>	<u>September 30, 2011</u>	<u>Percentage Change</u>
Land	\$ 661,814	661,814	0%
Construction in Progress	15,453,450	13,695,478	13%
Buildings	345,763	377,971	-9%
Utility Systems	17,801,025	18,297,049	-3%
Vehicles	113,067	147,511	-23%
Machinery and equipment	306,807	357,810	-14%
Total	\$ 34,681,926	33,537,633	3%

For more detailed information concerning capital assets see Note 7 in the Notes to the Financial Statements of this report.

City of Ridgeland
Management's Discussion and Analysis
For the year ended September 30, 2012

Business-Type Activities:

At September 30, 2012, the City of Ridgeland had \$11,094,101 in outstanding General Obligation Bonds, and \$5,687,277 in Other Long-Term Debt. Compensated absences increased during the year. The restatement was to reflect debt existing in prior years and not recorded in the City's books.

Outstanding Notes and Long-Term Obligations at Year End

	<u>September 30, 2012</u>	<u>September 30, 2011</u>	<u>Percentage Change</u>
General Obligation Bonds	\$ 11,094,101	11,630,602	-5%
Other Long-Term Debt	5,687,277	4,363,782	30%
Compensated Absences	<u>57,721</u>	<u>53,650</u>	<u>8%</u>
Total	\$ <u>16,839,099</u>	<u>16,048,034</u>	<u>5%</u>

For more detailed information concerning long-term debt see Note 8 in the Notes to the Financial Statements of this report.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors 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 Paula W. Tierce, City Clerk, at (601) 856-7113 or visit our web site at www.ridgelandms.org. Our mailing address is City of Ridgeland, P.O. Box 217, Ridgeland, MS 39158.

FINANCIAL STATEMENTS

CITY OF RIDGELAND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
<i>Current Assets:</i>			
<i>Pooled cash and cash equivalents</i>	\$ 12,959,790	\$ 900	\$ 12,960,690
<i>Investments</i>	9,076,619	5,983,276	15,059,895
<i>Accounts receivable, net</i>	832,144	784,106	1,616,250
<i>Internal balances</i>	(4,204,789)	4,204,789	--
<i>Due from other governments</i>	--	497,891	497,891
<i>Inventories</i>	--	181,764	181,764
<i>Prepaid items</i>	1,406,616	--	1,406,616
<i>Deferred charges - bond issuance costs</i>	185,509	73,378	258,887
<i>Total Current Assets</i>	<u>20,255,889</u>	<u>11,726,104</u>	<u>31,981,993</u>
<i>Non-Current Assets:</i>			
<i>Restricted assets:</i>			
<i>Tax increment receivable</i>	33,286,453	--	33,286,453
<i>Capital assets:</i>			
<i>Land and construction in progress</i>	117,453,818	16,115,264	133,569,082
<i>Other capital assets, net of accumulated depreciation</i>	81,574,003	18,566,662	100,140,665
<i>Total Non-Current Assets</i>	<u>232,314,274</u>	<u>34,681,926</u>	<u>266,996,200</u>
Total Assets	<u>252,570,163</u>	<u>46,408,030</u>	<u>298,978,193</u>
Liabilities:			
<i>Current Liabilities:</i>			
<i>Accounts payable</i>	544,357	553,813	1,098,170
<i>Wages and benefits payable</i>	2,253	844	3,097
<i>Due to other governments</i>	497,891	--	497,891
<i>Other payables</i>	584,859	--	584,859
<i>Interest Payable</i>	516,598	94,508	611,106
<i>Unearned Revenue</i>	456,136	--	456,136
<i>Long term liabilities (due within one year):</i>			
<i>Bonds, notes and loans payable</i>	3,472,665	950,215	4,422,880
<i>Compensated Absences</i>	28,687	2,886	31,573
<i>Bond Premiums</i>	67,951	5,506	73,457
<i>Total Current Liabilities</i>	<u>6,171,397</u>	<u>1,607,772</u>	<u>7,779,169</u>
<i>Non-Current Liabilities:</i>			
<i>Long term liabilities (due beyond one year):</i>			
<i>Tax increment payable</i>	36,031,253	--	36,031,253
<i>Bonds, notes and loans payable</i>	23,409,122	15,772,902	39,182,024
<i>Compensated absences</i>	545,059	54,835	599,894
<i>Bond Premiums</i>	251,451	52,755	304,206
<i>Total Non-Current Liabilities</i>	<u>60,236,885</u>	<u>15,880,492</u>	<u>83,896,546</u>
Total Liabilities	<u>66,408,282</u>	<u>17,488,264</u>	<u>83,896,546</u>
Net Assets:			
<i>Invested in Capital Assets, Net of Related Debt</i>	177,810,478	17,900,548	195,711,026
<i>Restricted For:</i>			
<i>Capital Projects</i>	645,844	--	645,844
<i>Court Services</i>	330,425	--	330,425
<i>Public Improvements</i>	--	1,532,325	1,532,325
<i>Other Purposes</i>	92,230	--	92,230
<i>Unrestricted</i>	7,282,904	9,486,893	16,769,797
Total Net Assets	<u>\$ 186,161,881</u>	<u>\$ 28,919,766</u>	<u>\$ 215,081,647</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
<i>Governmental activities:</i>							
General government	\$ 3,228,505	\$ 3,528,904	\$ 165,648	\$ --	\$ 466,047		\$ 466,047
Public safety	12,814,753	6,924	1,400	--	(12,806,429)		(12,806,429)
Public services	6,361,475	235,415	--	340,454	(5,785,606)		(5,785,606)
Sanitation	1,190,088	1,046,418	--	--	(143,670)		(143,670)
Culture and recreation	2,651,248	337,168	--	99,515	(2,214,565)		(2,214,565)
Interest on long-term debt	4,527,589	--	--	--	(4,527,589)		(4,527,589)
Total Governmental Activities	30,773,658	5,154,829	167,048	439,969	(25,011,812)		(25,011,812)
<i>Business-type Activities:</i>							
Public Utility	6,169,137	5,651,266	--	668,479	--	\$ 150,608	150,608
Total Business-type Activities	6,169,137	5,651,266	--	668,479	--	150,608	150,608
Total Primary Government	\$ 36,942,795	\$ 10,806,095	\$ 167,048	\$ 1,108,448	(25,011,812)	150,608	(24,861,204)
General Revenues:							
Intergovernmental / Unrestricted					10,360,517	--	10,360,517
Property taxes					10,254,456	--	10,254,456
Other taxes							--
Nuclear Payment					361,073	--	361,073
Fire Protection					125,317	--	125,317
Liquor Privilege					126,825	--	126,825
Other participation					1,391,632	--	1,391,632
Unrestricted investment income					362,606	76,919	439,525
Other					2,890,602	364,760	3,255,362
Transfers					188,636	(188,636)	--
Total General Revenues and Transfers					26,061,664	253,043	26,314,707
Change in Net Assets					1,049,852	403,651	1,453,503
Net Assets - Beginning					185,182,546	29,844,833	215,027,379
Prior Period Adjustment					(70,517)	(1,328,718)	(1,399,235)
Net Assets - Restated					185,112,029	28,516,115	213,628,144
Net Assets - Ending					\$ 186,161,881	\$ 28,919,766	\$ 215,081,647

The accompanying notes are an integral part of this statement.

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CITY OF RIDGELAND

BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

	General Fund	Debt Service Fund
Assets:		
<i>Pooled cash and cash equivalents</i>	\$ 9,440,946	\$ --
<i>Investments</i>	3,092,773	--
<i>Accounts receivable</i>	766,974	--
<i>Interfund receivable</i>	11,174,909	--
<i>Prepaid items</i>	56,041	480,575
<i>Tax increment financing receivable</i>	--	--
Total Assets	\$ 24,531,643	\$ 480,575
Liabilities and Fund Balances:		
Liabilities:		
<i>Accounts payable</i>	\$ 544,361	\$ --
<i>Wages and benefits payable</i>	2,253	--
<i>Due to other funds</i>	--	--
<i>Other Payables</i>	584,859	--
<i>Interfund payables</i>	10,031,360	205,153
<i>Unearned revenue</i>	--	--
<i>Tax increment financing payable</i>	--	--
Total Liabilities	11,162,833	205,153
Fund balances:		
<i>Nonspendable</i>		
<i>Prepaid items</i>	56,041	480,575
<i>Restricted</i>		
<i>Court services</i>	330,425	--
<i>Debt service</i>	--	--
<i>Capital projects</i>	--	--
<i>Assigned</i>		
<i>Court services</i>	7,913	--
<i>Public improvements</i>	37,831	--
<i>Forfeiture and seizure</i>	--	--
<i>Unassigned</i>		
	12,936,600	(205,153)
Total Fund Balances	13,368,810	275,422
Total Liabilities and Fund Balances	\$ 24,531,643	\$ 480,575

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Colony Park TIF Bond Debt	Other Governmental Funds	Total Governmental Funds
\$ 2,861,247	\$ 91,997	\$ 12,394,190
--	5,983,846	9,076,619
--	65,170	832,144
--	6,912,879	18,087,788
870,000	--	1,406,616
29,932,450	3,354,003	33,286,453
<u>\$ 33,663,697</u>	<u>\$ 16,407,895</u>	<u>\$ 75,083,810</u>
\$ --	\$ --	\$ 544,361
--	--	2,253
--	497,891	497,891
--	--	584,859
703,697	11,682,734	22,622,944
--	417,743	417,743
32,960,000	3,071,253	36,031,253
<u>33,663,697</u>	<u>15,669,621</u>	<u>60,701,304</u>
870,000	--	1,406,616
--	--	330,425
--	199	199
--	11,944,715	11,944,715
--	--	7,913
--	--	37,831
--	92,230	92,230
(870,000)	(11,298,870)	562,577
--	738,274	14,382,506
<u>\$ 33,663,697</u>	<u>\$ 16,407,895</u>	<u>\$ 75,083,810</u>

CITY OF RIDGELAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012

Total fund balances - governmental funds balance sheet	\$ 14,382,506
Amounts reported for governmental activities in the Statement of Net Assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	197,266,630
Liabilities due in one year are not recorded in the funds.	(3,569,303)
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	2,618,769
Payables for bond principal which are not due in the current period are not reported in the funds.	(18,164,580)
Payables for bond interest which are not due in the current period are not reported in the funds.	(516,598)
Payables for compensated absences not due in the current period are not reported in the funds.	(545,059)
Other long-term liabilities not due and payable in the current period are not reported in the funds.	(5,244,542)
Bond issuance costs are capitalized in the SNA.	185,509
Bond premiums are recognized in the SNA.	(251,451)
Net assets of governmental activities - Statement of Net Assets	\$ <u>186,161,881</u>

The accompanying notes are an integral part of this statement.

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CITY OF RIDGELAND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Debt Service Fund
Revenues:		
Sales taxes	\$ 10,360,517	\$ --
Property taxes	4,846,678	3,261,405
Licenses and permits	1,416,337	--
Fines and forfeitures	1,316,046	--
Investment income	264,581	28,682
Charges for services	1,817,514	--
Special Assessments	--	--
Intergovernmental programs	844,507	13,802
Other	172,744	--
Total Revenues	21,038,924	3,303,889
Expenditures:		
General government	2,553,166	--
Public safety	10,687,423	--
Public Services	3,554,013	--
Sanitation	1,190,088	--
Health and welfare	38,579	--
Culture and recreation	2,089,909	--
Economic development and assistance	37,500	--
Capital outlay	468,342	--
Debt service:		
Principal	69,580	3,369,024
Interest	4,530	964,450
Debt issuance costs	--	71,362
Other	--	14,070
Total Expenditures	20,693,130	4,418,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	345,794	(1,115,017)
Other Financing Sources (Uses):		
Transfers in	856,430	150,000
Transfers out	(1,183,372)	--
Issuance of bonds	--	3,230,000
Sale of assets	42,741	--
Premium on bonds	--	113,662
Payment to refunded debt escrow agent	--	(3,240,000)
Discount on bonds	--	(32,300)
Total Other Financing Sources (Uses)	(284,201)	221,362
Net Change in Fund Balances	61,593	(893,655)
Fund Balances - Beginning	13,307,217	1,169,077
Prior period adjustments	--	--
Fund Balances - Restated	13,307,217	1,169,077
Fund Balances - Ending	\$ 13,368,810	\$ 275,422

The accompanying notes are an integral part of this statement.

Colony Park TIF Bond Debt	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 10,360,517
1,732,518	382,486	10,223,087
--	--	1,416,337
--	--	1,316,046
3,502	64,146	360,911
--	--	1,817,514
--	43,919	43,919
1,018,395	825,199	2,701,903
--	--	172,744
<u>2,754,415</u>	<u>1,315,750</u>	<u>28,412,978</u>
--	--	2,553,166
--	20,000	10,707,423
--	--	3,554,013
--	--	1,190,088
--	--	38,579
--	--	2,089,909
--	--	37,500
--	762,265	1,230,607
--	35,000	3,473,604
2,752,250	906,109	4,627,339
--	--	71,362
2,165	4,909	21,144
<u>2,754,415</u>	<u>1,728,283</u>	<u>29,594,734</u>
--	(412,533)	(1,181,756)
--	390,932	1,397,362
--	(25,354)	(1,208,726)
--	--	3,230,000
--	2,476	45,217
--	--	113,662
--	--	(3,240,000)
--	--	(32,300)
--	368,054	305,215
--	(44,479)	(876,541)
--	852,405	15,328,699
--	(69,652)	(69,652)
--	782,753	15,259,047
<u>\$ --</u>	<u>\$ 738,274</u>	<u>\$ 14,382,506</u>

CITY OF RIDGELAND

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

Net change in fund balances - total governmental funds	\$ (876,541)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,932,457
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,558,436)
The gain or loss on the sale of capital assets is not reported in the funds.	(143,983)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(45,217)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,709,579
Repayment of principal is an expenditure in the funds but is not an expense in the SOA.	764,025
(Increase) decrease in accrued interest from beginning of period to end of period.	117,396
Compensated absences are reported as amount earned in SOA but as amount paid in the funds.	(2,434)
Bond premiums are amortized in SOA.	59,168
Bond issuance costs are not expense in SOA.	71,362
Proceeds of bonds do not provide revenue in SOA, but are current resources in the funds.	(3,230,000)
Bond premiums are reported as expenses in the funds but not in the SOA.	(113,662)
Bond issuance costs are amortized in the SOA.	(23,370)
Payment to refunded bond escrow agent diminishes the debt, not other financing use	3,240,000
The net income (loss) from internal service funds is accounted for with governmental activities.	<u>149,508</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 1,049,852</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Enterprise Fund Public Utility Fund	Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 900	\$ 565,600
Investments	5,983,276	--
Receivables (net of allowance)	784,106	--
Interfund Receivables	4,566,128	330,831
Due from other funds	497,891	--
Inventories	181,764	--
Deferred charges - bond issuance costs	73,378	--
Total Current Assets	12,087,443	896,431
Non-current Assets:		
Land and construction in progress	16,115,264	15,625
Capital assets (net of accumulated depreciation)	18,566,662	1,745,566
Total Non-current Assets	34,681,926	1,761,191
Total Assets	46,769,369	2,657,622
Liabilities		
Current Liabilities:		
Deposits payable	\$ 553,813	\$ --
Other payable	844	--
Interfund payables	361,339	460
Deferred revenue	--	38,393
Interest Payable	94,508	--
Bonds, notes and loans payable	950,215	--
Compensated absences	2,886	--
Bond Premiums	5,506	--
Total Current Liabilities	1,969,111	38,853
Non-current Liabilities:		
Bonds, notes and loans payable	15,772,902	--
Compensated absences	54,835	--
Bond Premiums	52,755	--
Total Non-Current Liabilities	15,880,492	--
Total Liabilities	17,849,603	38,853
Net Assets		
Invested in capital assets, net of related debt	17,900,548	--
Restricted for Public Improvements	1,532,325	--
Unrestricted	9,486,893	2,618,769
Total Net Assets	\$ 28,919,766	\$ 2,618,769

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CITY OF RIDGELANDSTATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Enterprise Fund Public Utility Fund	Internal Service Funds
Operating Revenues:		
Charges for services	\$ 6,001,457	\$ 1,713,581
Premiums	--	1,506,619
Total Operating Revenues	<u>6,001,457</u>	<u>3,220,200</u>
Operating Expenses:		
Personal services - salaries and wages	1,002,752	44,346
Personal services - employee benefits	371,496	15,703
Purchased professional and technical services	2,322,018	2,907,328
Supplies	495,582	7,223
Depreciation	1,027,094	97,788
Total Operating Expenses	<u>5,218,942</u>	<u>3,072,388</u>
Operating Income (Loss)	<u>782,515</u>	<u>147,812</u>
Non-Operating Revenues (Expenses):		
Interest revenue	76,919	1,696
Grants and contributions	668,480	--
Gain or Loss on sale of capital assets	14,568	--
Miscellaneous expenses	(283,285)	--
Debt service interest	(666,910)	--
Total Non-operating Revenues (Expenses)	<u>(190,228)</u>	<u>1,696</u>
Net Income (Loss) before Operating Transfers	<u>592,287</u>	<u>149,508</u>
Transfers in	3,323,725	--
Transfers out	(3,512,361)	--
Net income	<u>403,651</u>	<u>149,508</u>
Net assets - beginning	29,844,833	2,469,261
Prior Period Adjustment	(1,328,718)	--
Net assets - Restated	<u>28,516,115</u>	<u>2,469,261</u>
Net assets - ending	<u>\$ 28,919,766</u>	<u>\$ 2,618,769</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Enterprise Fund Public Utility Fund	Internal Service Funds
Cash Flows from Operating Activities:		
<i>Cash Received from Customers</i>	\$ 6,114,565	\$ 3,220,200
<i>Cash Payments to Employees for Services</i>	(1,370,177)	(1,334,178)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(472,710)	(7,223)
<i>Other Operating Cash Receipts (Payments)</i>	(4,999,575)	(1,596,313)
Net Cash Provided (Used) by Operating Activities	<u>(727,897)</u>	<u>282,486</u>
Cash Flows from Non-capital Financing Activities:		
<i>Operating Grants Received</i>	668,480	--
<i>Transfers From (To) Primary Government</i>	3,621,107	--
<i>Transfers From (To) Other Funds</i>	(188,636)	(34,635)
Net Cash Provided (Used) by Non-capital Financing Activities	4,100,951	(34,635)
Cash Flows from Capital and Related Financing Activities:		
<i>Proceeds from Issuance of Long-term Debt</i>	363,006	--
<i>Principal and Interest Paid</i>	(1,571,689)	--
<i>Acquisition or Construction of Capital Assets</i>	(2,145,276)	(15,625)
<i>Proceeds from Sale of Capital Assets</i>	14,568	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(3,339,391)</u>	<u>(15,625)</u>
Cash Flows from Investing Activities:		
<i>Purchase of Investment Securities</i>	(110,582)	--
<i>Proceeds from Sale and Maturities of Securities</i>	--	--
<i>Interest and Dividends on Investments</i>	76,919	1,696
Net Cash Provided (Used) for Investing Activities	<u>(33,663)</u>	<u>1,696</u>
Net Increase (Decrease) in Cash and Cash Equivalents	--	233,922
Cash and Cash Equivalents at Beginning of Year	900	331,678
Cash and Cash Equivalents at End of Year	<u>\$ 900</u>	<u>\$ 565,600</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 782,515	\$ 147,812
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
<i>Depreciation</i>	1,027,094	97,788
<i>Amortization</i>	12,691	--
<i>Other receipts (payments)</i>	(320,460)	--
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Receivables</i>	113,108	--
<i>Decrease (Increase) in Inventories</i>	2,838	--
<i>Increase (Decrease) in Deposits Payable</i>	20,034	--
<i>Increase (Decrease) in Interfund Payables</i>	(2,370,109)	(1,507)
<i>Increase (Decrease) in Other payables</i>	321	--
<i>Increase (Decrease) in Compensated Absences</i>	4,071	--
<i>Increase (Decrease) in Deferred Revenue</i>		38,393
Total Adjustments	(1,510,412)	134,674
Net Cash Provided (Used) by Operating Activities	<u>\$ (727,897)</u>	<u>\$ 282,486</u>

The accompanying notes are an integral part of this statement.

City of Ridgeland, Mississippi
Notes to the Financial Statements
September 30, 2012

CITY OF RIDGELAND, MISSISSIPPI

Notes to the Financial Statements

September 30, 2012

INDEX

NOTE #

I. Summary of Significant Accounting Policies.	58
Introduction	58
A. Financial Reporting Entity.	59
B. Government-Wide and Fund Financial Statements.	60
C. Basis of Presentation.	61
D. Basis of Accounting.	62
E. Encumbrances	63
F. Budgets and Budgetary Information.	63
G. Unearned Revenue	64
H. Fund Balances	64
I. Cash and Other Deposits and Cash Equivalents	65
J. Investments	66
K. Inventories	66
L. Account Receivable	66
M. Interfund Transactions and Balances	66
N. Restricted Net Assets	69
O. Capital Assets and Long-term Liabilities	69
P. Compensated Absences	70
2. Cash, Other Deposits and Investments.	71
3. Receivables.	73
4. Property Taxes.	73
5. Capital Assets.	74
6. Long-term Debt Obligations.	76
7. Business-Type Activities - Capital Assets.	82
8. Business-Type Activities - Long-term Debt.	83
9. Defined Benefit Pension Plan.	88
10. Deficit Fund Balances of Individual Funds.	88
11. Risk Management.	89
12. Health Insurance.	89
13. Prior Period Adjustments.	90

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City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Ridgeland are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2012.

The accompanying financial statements of the City have been prepared in accordance with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned or unassigned. The requirements of this Statement are effective for periods beginning after June 15, 2010. The implementation of this statement on the financial statements can be seen at note 1 (H) of the financial statements.

In December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements of this Statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the City.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 addresses financial reporting for state and local government pension plans and Statement No. 68 establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. These related Statements reflect substantial improvements to the accounting and financial reporting of pensions plans. Statement No. 67 will take effect for pension plans in the fiscal year ending September 30, 2014 and Statement No. 68 will take effect for employers and governmental non-employer contributing entities in the fiscal year ending September 30, 2015.

The guidance contained in these Statements will change how governments calculate and report the costs and obligations associated with pensions in important ways. It is designed to improve the decision-usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

The new standards will better align the recognition of pension expense with the period in which the related benefits are earned. Considered in total, the changes set forth by the GASB will have the overall effect of expense recognition being accelerated. The implementation of these Statements is expected to have a significant impact upon the financial statements of the City.

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of management's discussion and analysis (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon after.

Statement of Net Assets - The Statement of Net Assets is designed to display the financial position of the primary government and its directly presented component units. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions are compared to the revenues generated by the function (for instance, through user charges or intergovernment grants).

Budgetary Comparison Schedules - Many governments revise their original budgets over the course of the year for a variety of reasons. Budgetary comparison information is required, therefore the government's original budget is compared to the final budget and actual results.

A. FINANCIAL REPORTING ENTITY

COMPONENT UNITS

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Ridgeland (the primary government) and any component units thereof. Component units must either be (1) a legally separate organization for which the elected officials of the primary government are financially accountable or (2) another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the City of Ridgeland's financial statements to be misleading or incomplete. Based upon the application of these criteria,

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

no potential component unit will be included as a part of the City.

RELATED ORGANIZATIONS

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations. Related organizations are described as follows:

<u>Related Organizations</u>	<u>Brief Description of Activities and Relationship to the City</u>
Ridgeland Tourism Commission	Promote tourism for the city of Ridgeland. Mainly represents restaurants and hotels. All members are appointed by the Aldermen. The Commission reports independently.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental type. In the Government-wide Statement of Net Assets, the governmental activities column is presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs per functional category (Police, Fire, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function (Police, Fire, Public Works, etc.). These include charges for some of the services the city provides like permits, licenses, inspection fees and that are associated with the particular function. The program revenues also include grants received from federal as well as state sources to be used for operating or capital purposes. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds. Non-major funds (by category) are summarized into a single column.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

which the funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the Statement No. 34 model is on the City as a whole. The focus of the fund financial statements is on the major individual funds of the governmental activities and the proprietary funds. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. BASIS OF PRESENTATION

Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Funds that meet these criteria are labeled as such. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

The City reports the following funds:

1. Major Governmental Funds

The measurement focus of the governmental funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the major governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. General Tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

Debt Service Fund - accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt. The primary revenue source is local property taxes levied specifically for debt service.

Colony Park TIF Bond Debt - This is a debt service fund that accounts for the payment of

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APR 19 2013

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

principal and interest on the debt related to the Harbor project.

2. Proprietary Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) 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.

The following is a description of the major proprietary fund of the City:

- a. Public Utility Fund - accounts for the operating activities of the City's public utility services.

Internal Service Funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

- a. East Madison County Regional Sewer Fund - accounts for sewer expenses of an inter-local cost-sharing agreement between the City of Ridgeland, Mississippi, the City of Madison, Mississippi and the Pearl River Valley Water Authority.
- b. Insurance Trust Fund - accounts for the insurance transactions handled by the City for their self insured employee health insurance program.

3. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 provides for the capital assets and long-term debt records to be maintained and incorporates the information into the governmental column in the government-wide Statement of Net Assets.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets, statements of activities, and proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus,

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

all assets and all liabilities associated with the operation of these activities are included on the balance sheet.

The fund financial statements are maintained on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term "available" is limited to collection within sixty days of the fiscal year end. Levies that are made prior to the fiscal year end, but are not available, are deferred. Interest income is recorded as earned.

Federal and State reimbursement type grants are recorded as revenue when related eligible expenditures are met. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred. All other revenue items reported in the fund financial statements are considered "available" when the cash is received by the City one year after its fiscal year.

Franchise and utility taxes, state revenue sharing, charges for services, and fines and forfeitures associated with the current period are considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgements, are recorded only when payment is due.

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

E. ENCUMBRANCES

An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. All encumbrances lapse at year-end; accordingly, no encumbrances were outstanding at September 30, 2012.

F. BUDGETS AND BUDGETARY INFORMATION

The budget is adopted annually by the Mayor and the Board of Alderman, and subsequent amendments are made during the year on the approval of the Mayor and Board or, when allowed, upon authority of City management, as described in the following paragraphs. All funds of the City of Ridgeland, Mississippi, governmental and enterprise, are budgeted, and are presented in either the accompanying financial statements or in schedules thereto. For comparison purposes, the final, amended budget is utilized, and it is presented on a modified cash basis of accounting as required by the State of Mississippi, which is not consistent with generally accepted accounting principles. All budgetary appropriations lapse at year-end.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

The legal level of control, that is the level on which actual expenditures may not legally exceed appropriations, is the major expenditure classifications within departments. Such classifications are Personnel Services, Supplies, Other Charges and Services and Capital Outlay.

All amendments to the budget to the legal level of control must be approved by the City of Ridgeland's Mayor and Board of Alderman. Management is allowed to amend, without governing body approval, any budget "line items"; that is, amounts below the legal level of control.

The expenditure budget adopted and approved by the duly elected members of the governing authority of the City of Ridgeland is the appropriation ordinance of said municipality.

As allowed by stature, the expenditure budget was amended and approved by the duly elected members of the governing authority of the City of Ridgeland. Such amendments are included in the reported budgetary data.

G. UNEARNED REVENUE

In the government-wide and proprietary fund financial statements, unearned revenues are recognized when assets are received prior to being earned. Unearned revenues are also recognized in the governmental funds financial statements, which are recognized when revenues are unavailable.

H. FUND BALANCES

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the city:

Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board of Alderman, the City's

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

highest level of decision-making authority. Currently there is no committed fund balance for this city.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Director of Finance pursuant to authorization established by the policy adopted by the city.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the city's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the city's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

I. CASH AND OTHER DEPOSITS AND CASH EQUIVALENTS

The City deposits excess funds in the financial institutions selected by the Mayor and Board of Aldermen in accordance with state statutes.

Cash consists of amounts on deposit with a financial institution in non-interest bearing accounts. Other deposits consist of interest-bearing demand accounts, saving accounts and certificates of deposit. Cash and other deposits are valued at cost.

Various restrictions on deposits are imposed by state statutes. The collateral for public entities' deposits in financial institutions is 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.

For purposes of the combined statement of cash flows, the municipality considers to be cash equivalents all highly liquid investments and certificates of deposit if they have a maturity of three months or less when acquired.

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APR 19 2013

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

J. INVESTMENTS

The City is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time deposits with any financial institution approved for the deposit of state funds. The interest earned is reported in the fund reporting the investment.

K. INVENTORIES AND PREPAID ITEMS

Inventories of materials and supplies in the Enterprise Funds are stated at cost, calculated on the first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements.

L. ACCOUNTS RECEIVABLE

Accounts Receivable are reported in the government-wide Statement of Net Assets and the governmental funds Balance Sheet net of allowances for uncollectible receivables.

M. INTERFUND TRANSACTIONS AND BALANCES

In general, eliminations have been made to minimize the double-counting of internal activity, including internal service fund type activity on the government-wide financial statements. Excess revenues or expenses from the internal service funds have been allocated to the appropriate function originally charged for the internal sale as part of the process. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.

In the fund financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund. Reimbursements of the expenditures/expenses made by one fund for another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund. Transfers represent flows of assets between funds of the primary government without equivalent flows of assets in return and without a requirement for payment.

Interfund receivables and payables have been eliminated from the government-wide Statement of Net Assets, except for the residual amounts due between governmental and business-type activities.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

The following is a summary of interfund transactions and balances:

Due From/To Other Funds:

		<u>Due From</u>	<u>Due To</u>
Enterprise Fund:			
Public Utility Fund	\$	497,891	
Other Non-Major Funds:			
S.A. School Creek Intercept			497,891
Total	\$	497,891	497,891

Due From/To Other Funds are the result of timing differences between the date expenses/ expenditures are settled. All balances are expected to be repaid within one year from the date of the financial statements.

Interfund Balances

		<u>Receivables</u>	<u>Payables</u>
General Fund	\$	11,174,909	10,031,360
Major Funds:			
Debt Service Fund			205,153
Colony Park TIF Bond Debt			703,697
Non-Major Funds:			
Forfeiture and Seizure Fund		376	143
S. A. School Creek Intercept		432,721	
Avery Blvd. S.A. Bond Fund		417,743	
TIF Bond Debt Lowes			282,750
Bonds Issued Fund		199	
Longmeadow Drainage Fund			52,168
Avery Blvd. Special Assessment			387,369
Madison Ridgeland Interchange			8,620
2004 6 Mil Bond Issue Fund		303,806	
Lake Harbor Reconstruction 51 to NP			5,657,048
Centre St. Ridgewood Signal			154,065
Pear Orchard Rice Road Signal			280,569
Lake Harbour Dr. Ext.			85,011
2007 Bond Issue Fund			98,661
Harbour Crossing TIFF			1,030
Culley-Brashear Creek Fund			57,986
City Center Fund			4,586,633

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Universal DES Playground Fund	25,143	
Craft Center Parking Lot Fund	97,007	1,710
2011 Bond Issue Fund	5,635,884	600
Rice Road Trail head Improvements		28,371
Sub-Total Non-Major Funds	<u>6,912,879</u>	<u>11,682,734</u>
Enterprise Fund:		
Public Utility Fund	4,566,128	361,339
Internal Service Fund:		
EMCRS Operations Fund	330,831	460
Rounding adjustments	(2)	2
Total	\$ <u>22,984,745</u>	<u>22,984,745</u>

Interfund receivables and payables are the result of 1) timing differences between the date expenses/expenditures occur and the date payments are made and 2) the accrual of tax distributions for taxes collected in the following fiscal year.

Transfers In and Transfers Out

	Transfers In	Transfers Out
General Fund	\$ 856,430	1,183,372
Major Funds:		
Debt Service Fund	150,000	
Other Non-Major Funds:		
TIFF Bond Debt Lowes	176,942	
2004 6 Mil Bond Issue Fund		25,354
Sunnybrook Sewer Extension Fund	54,065	
Highland Colony Overlay Fund	25,354	
W/Oak Creek Dismor Sewer Extension Fund	<u>134,571</u>	
Sub-Total Non-Major Funds	<u>390,932</u>	<u>25,354</u>
Proprietary Funds:		
Public Utility Fund	<u>3,323,725</u>	<u>3,512,361</u>
Total	\$ <u>4,721,087</u>	<u>4,721,087</u>

Transfers were used primarily to move revenues from funds required to collect them to funds required to expend them. The transfers also provided funds for general operating activities. All transfers were routine and consistent with the fund making the transfer.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

N. RESTRICTED NET ASSETS

Certain proceeds from bonds, notes, and loans, as well as resources for debt service payments, court services, and public improvements monies are classified as restricted net assets reported on the government-wide Statement of Net Assets because their use is limited by applicable bond covenants and restrictions.

The following is a summary of restricted net assets:

Restricted For:

Capital projects	\$	645,844
Court Services		330,425
Other Purposes		<u>92,230</u>
Total	\$	<u>1,068,499</u>

O. CAPITAL ASSETS

In the governmental funds, the cost incurred for the purchase or construction of capital assets are recorded as capital outlay expenditures.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the statement of activities.

All proprietary funds are accounted for on an economic measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their fund equity is reported in the total net assets of the Statement of Revenues, Expenses and Changes in Fund Net Assets. The city has chosen to follow FASB statements and interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The capital assets threshold for the propriety funds is the same as it is for governmental funds which is described in detail below.

The revenues and expenses of proprietary funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary operations. All other revenues and expenses are reported as nonoperating.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

In accordance with GASB Statement No. 34, governmental infrastructure has been capitalized. Capitalization thresholds (dollar value above which assets acquisitions are added to the capital asset account) and estimated useful lives of capital assets are reported in the government-wide statements and proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

Capital asset thresholds are as follows:

Land	N/A
Infrastructure	N/A
Furniture, Vehicles, and Equipment	\$ 500
Improvements other than Buildings	\$25,000
Buildings	\$50,000

Estimated useful lives, in years, for depreciable assets are as follows:

Computer Equipment and Peripherals	3 years
Vehicles and Equipment	5 years
Heavy Equipment (backhoes, dozers, front-end loaders, tractors, etc)	10 years
Furniture and Fixtures	7 years
Improvements other than Buildings	20 years
Buildings	40 years
Infrastructure:	
Roads	20 years
Concrete bridges	50 years
Timber bridges	30 years

P. COMPENSATED ABSENCES

Upon termination of employment, the City of Ridgeland provides payment of accrued personal leave to the departing employee. While such leave is accumulated from 5 to 20 days each year, depending on length of service, no payment for medical leave is allowed absent the required evidence of such need.

Unpaid personal leave expected to be paid from the Governmental Funds is reported under Long-term Debt as "Accrued Compensated Absences." Similar amounts related to the Proprietary Fund are accrued in the Enterprise Funds. Typically the related "Accrued Compensated Absences Expense" has been paid from the General Fund and the Public Utility Fund.

The respective liabilities are computed utilizing the specific identification method (i.e., each employee's actual accumulated personal leave days are multiplied by the applicable actual per day salary). The City's liability for compensated absences is not recorded in the governmental funds, for such liability may be paid from financial resources not currently available. Compensated

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

sated absences are reported in governmental funds only if they have matured.

2. CASH, OTHER DEPOSITS, AND INVESTMENTS

A. Cash and Other Deposits

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 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 Deposit Insurance Corporation. The City's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end.

The carrying amount of the city's deposits with financial institutions was \$12,960,690 and the bank balance was \$13,213,997.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of a financial institutions failure, the city's deposits may not be returned to it. The city does not have a deposit policy for custodial credit risk. As of September 30, 2012, none of the city's bank balance of \$13,213,997 was exposed to custodial credit risk.

B. Investments

Except for (1) nonparticipating investment contracts and for (2) participating interest-earning investment contract and money market investments that had a remaining maturity at the time of purchase of one year or less, investments are reported at fair value, which is based on quoted market price. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Participating interest earning investment contracts and money market investments that had a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Interest Rate Risk. Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy is limited to complying with the State's investment statutes. The State law has not addressed an interest rate risk. The City uses the Specific Identification method to disclose interest-rate risk. Under this method, the notes provide an actual list of the maturities for different individual investments.

Concentration of Credit Risk. Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30,

City of Ridgeland, Mississippi

**Notes to the Financial Statements
For the Year Ended September 30, 2012**

2012, the city had the following investments:

Investment Type	Fair Value	Credit Ratings	Percentage of Investments	Interest Rates
Panola County MS Taxable GO Bonds	\$ 307,145		2.04%	5%
Federal National Mortgage Association (FNMA)	4,262,920	AA	28.31%	1.0-2.2%
Governmental National Mortgage Association (GNMA)	1,317,069	AAA	8.75%	.875-1.75%
State of Mississippi Tax Notes	546,704	AA	3.63%	4.4-5.25%
Mississippi Development Bank Tax Notes	1,263,366	AA	8.39%	5.25%
Governmental National Mortgage Association (GNMA)	3,799,743	AAA	25.23%	.619-5.5%
Private Export Funding Corporation (PEFCO)	1,812,771	AAA	12.04%	2.2-4.95%
Governmental Money Market Funds and CD's	1,750,177	AAA	11.62%	
Total Investments	\$ 15,059,895		100%	

Investment Maturities in Years

Investment Type	Less Than 1	1-5	6-10	More than 10
Panola County MS Taxable GO Bonds		307,145		
Federal National Mortgage Association (FNMA)			1,007,460	3,255,460
Governmental National Mortgage Association (GNMA)			90,409	1,226,660
State of Mississippi Tax Notes		459,536	87,168	
Mississippi Development Bank Tax Notes		1,263,366		
Governmental National Mortgage Association (GNMA)				3,799,743
Private Export Funding Corporation (PEFCO)		1,812,771		
Governmental Money Market Funds	1,750,177			

Credit Risk. The City is allowed, by State Statute, to invest excess funds in any bonds or other direct obligations of the United States of America, of the State of Mississippi, or of any county or municipality of Mississippi, when such county or municipal bonds have been properly approved; or in obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a qualified depository; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of a financial institutions failure, the city will not be able to recover the value of its investments. The City does not have a formal investment policy that addresses custodial credit risk. As of September 30, 2012, \$0 of the city's investment balance was insured and was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	0
Uninsured and collateral held by pledging bank's department not in city's name		15,059,895
Total	\$	<u>15,059,895</u>

3. RECEIVABLES

A. Accounts Receivable

Accounts receivable at September 30, 2012, consisted of the following:

	General Fund	Other Governmental Funds	Enterprise Funds	Total
Special Assessments	\$	65,170		65,170
Other - Court Services	766,974			766,974
Utility Customers			784,106	784,106
Total	\$ 766,974	65,170	784,106	<u>1,616,250</u>

4. PROPERTY TAXES

Property held on January 1 of any given year (or brought into the State by March 1 of the same year) is assessed for taxation in the ensuing fiscal year. Such levy, which establishes a lien against the underlying property, is made by the City in its September board meeting. The assessed value of property on January 1, 2011, upon which the levy was based, was \$420,687,790. The taxes thus assessed are due and payable as follows:

1 st installment	(50% of liability)	on or before Feb. 1
2 nd installment		on or before May 1
Final installment		on or before Aug. 1

If taxes remain unpaid, the property subject to a tax lien is sold for taxes on the fourth Monday of August.

Property taxes receivable reported in the government-wide Statement of Net Assets and the governmental funds Balance Sheet represent amounts due for unpaid delinquent property taxes at

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APR 19 2013

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

September 30, 2012. Property taxes that are not considered "available" have been reported as deferred revenues in the governmental funds Balance Sheet.

5. CAPITAL ASSETS

	Balance 10-1-2011	Additions	Retirements	Completed Construction	Adjustments	Balance 9-30-2012
Non-depreciable capital assets:						
Land	\$ 110,383,612	256,569				110,640,181
Construction in progress	7,267,608	716,167		(1,185,985)	222	6,798,012
Total non-depreciable capital assets	117,651,220	972,736	0	(1,185,985)	222	117,438,193
Depreciable capital assets:						
Buildings	15,480,830					15,480,830
Improvements other than buildings	9,140,916	242,677				9,383,593
Infrastructure	121,224,883	15,194		1,185,985		122,426,062
Vehicles	6,558,536	428,410	221,086			6,765,860
Furniture and equipment	4,562,010	273,440	569,256		(9,304)	4,256,890
Total depreciable capital assets	156,967,175	959,721	790,342	1,185,985	(9,304)	158,313,235
Less accumulated depreciation for:						
Buildings	4,255,698	309,123				4,564,821
Improvements other than buildings	2,701,698	367,835				3,069,533
Infrastructure	60,793,351	2,112,950				62,906,301
Vehicles	4,304,849	562,641	192,376			4,675,114
Furniture and equipment	3,480,125	205,887	408,766		(8,217)	3,269,029
Total accumulated depreciation	75,535,721	3,558,436	601,142	0	(8,217)	78,484,798
Total depreciable capital assets, net	81,431,454	(2,598,715)	189,200	1,185,985	(1,087)	79,828,437
Governmental activities capital assets, net	\$ 199,082,674	(1,625,979)	189,200	0	(865)	197,266,630

Adjustments were made to record transfers of equipment from governmental activities to business-type activities.

The amount of capital assets for governmental activities shown on page 44 of this report (\$199,027,821) include the Internal Service fund total capital assets, net of accumulated depreciation (\$1,761,191).

The amount of depreciation expense charged to the respective governmental function in the government-wide Statement of Activities for the period is as follows:

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

		<u>Amount</u>
General Government	\$	58,426
Public Safety		752,404
Public Services		2,262,346
Culture & Recreation		<u>485,260</u>
Total depreciation expense	\$	<u>3,558,436</u>

The following are the amounts spent to September 30, 2012 on the different projects of the governmental activities of the City of Ridgeland:

Craft Center Parking Lot	\$	4,048
Long Meadow Drainage		87,164
Lake Harbour Drive Extension		655,020
Proposed City Center		106,523
Southeast Redevelopment		109,244
Culley-Brashear Drainage		67,323
Lake Harbour Reconstruction 51 to NP		5,662,022
Steed Road Extension		43,680
Universal Des Playground		12,857
Madison-Ridgeland Interchange Connector		15,791
Rice Road Trailhead Improvements		31,747
Colony Park Pid Trail		<u>2,593</u>
Total	\$	<u>6,798,012</u>

Government-Wide Presentation:

Internal Service Fund

(Accounted for under governmental activities on page 44 of this report):

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

East Madison County Regional Sewer

	East Madison County Regional Sewer Balance 10-1-2011	Additions	East Madison County Regional Sewer Balance 9-30-2012
<u>Non-depreciable capital assets:</u>			
Construction in progress	\$	15,625	15,625
<u>Depreciable capital assets:</u>			
Utility Systems	3,632,146		3,632,146
Vehicles	42,048		42,048
Machinery & Equipment	22,434		22,434
Total depreciable capital assets	<u>3,696,628</u>	<u>0</u>	<u>3,696,628</u>
<u>Less accumulated depreciation for:</u>			
Utility Systems	1,788,792	97,788	1,886,580
Vehicles	42,048		42,048
Machinery & Equipment	22,434		22,434
Total accumulated depreciation	<u>1,853,274</u>	<u>97,788</u>	<u>1,951,062</u>
Total depreciable capital assets	<u>1,843,354</u>	<u>(97,788)</u>	<u>1,745,566</u>
Governmental activities capital assets, net	<u>\$ 1,843,354</u>	<u>(82,163)</u>	<u>1,761,191</u>

The following are the amounts spent to September 30, 2012 on a project of the governmental activities of the City of Ridgeland:

Wastewater Flow and Monitoring \$ 15,625

6. LONG - TERM OBLIGATIONS

A. Changes in Long-Term Obligations

The following is a summary of changes in long-term debt:

	Balance 10-1-2011	Additions	Reductions	Refunding	Balance 9-30-2012	Amounts due within one year
<u>General Obligation Bonds</u>						
Public Improvement	\$ 230,000		35,000		195,000	35,000
Public Improvement	915,000		445,000		470,000	470,000
Public Improvement - Refunding	3,340,000		845,000		2,495,000	885,000
Bond Premium	185,771		45,567		140,204	45,567
Refunding Bonds	785,000		250,000		535,000	265,000
Public Improvements	8,810,000		380,000		8,430,000	410,000
Bond Premium	15,688		988		14,700	988
Refunding Bonds	208,739		69,579		139,160	69,580
Bond Premium	2,928		1,722		1,206	207

City of Ridgeland, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2012

	Balance 10-1-2011	Additions	Reductions	Refunding	Balance 9-30-2012	Amounts due within one year
Public Improvement	5,825,000		290,000		5,535,000	300,000
Bond Premium	60,521		4,126		56,395	4,126
Public Improvement	3,635,000	3,230,000	395,000	(3,240,000)	3,230,000	430,000
Bond Premium		113,662	6,765		106,897	16,237
Total General Obligation Bonds	<u>24,013,647</u>	<u>3,343,662</u>	<u>2,768,747</u>	<u>(3,240,000)</u>	<u>21,348,562</u>	<u>2,931,705</u>
Other Long - Term Debt						
Mississippi Department of Transportation	4,402,300		204,000		4,198,300	214,200
Madison County Contract Payable	320,850		101,200		219,650	106,950
Mississippi Development Authority	1,721,612		286,935		1,434,677	286,935
Capital Lease	171,890		171,890		0	
Compensated Absences	571,312	245,183	242,749		573,746	28,687
Total Other Long - Term Debt	<u>7,187,964</u>	<u>245,183</u>	<u>1,006,774</u>	<u>0</u>	<u>6,426,373</u>	<u>636,772</u>
Total General Long - Term Debt	<u>\$ 31,201,611</u>	<u>3,588,845</u>	<u>3,775,521</u>	<u>(3,240,000)</u>	<u>27,774,935</u>	<u>3,568,477</u>

B. Currently Outstanding Long - Term Obligations

General obligation bonds and other debt currently outstanding are as follows:

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance 9-30-2012
General Obligation Bonds					
Public Improvement	3/29/05	9/30/17	4.150%	\$ 410,000	195,000
Public Improvement	10/1/97	10/1/12	4.5-6.4%	5,000,000	470,000
Refunding Bonds	7/4/03	9/30/14	2.0-3.0%	2,615,000	535,000
Public Improvement	5/1/04	5/1/19	2.0-3.0%	6,000,000	0
Public Improvement	8/16/07	9/30/27	4.25-5.25%	10,165,000	8,430,000
Unamortized Bond Premium				19,760	14,700
Refunding Bonds	3/1/10	9/1/16	3.0-4.5%	4,160,000	2,495,000
Unamortized Bond Premium				273,400	140,204
Refunding Bonds	11/4/10	11/1/23	2-3.1%	208,739	139,160
Unamortized Bond Premium				9,515	1,206
Public Improvement	5/31/11	5/1/26	3-4%	5,825,000	5,535,000
Unamortized Bond Premium				61,897	56,395
Refunding Bonds	5/1/12	5/1/19	2.0%	3,230,000	3,230,000
Unamortized Bond Premium				113,662	106,897
Total				<u>\$ 38,091,973</u>	<u>21,348,562</u>
Other Long - Term Debt					
Madison County Contract Payable	6/1/91	6/1/14	6.10-6.4%	2,500,000	219,650
Mississippi Department of Transportation	10/11/06	6/30/26	5.0%	5,072,000	4,198,300
Capital Lease	12/1/04	12/1/11	4.41%	1,061,058	0
Mississippi Development Authority	12/1/09	12/1/16	0%	2,295,482	1,434,677
Total				<u>\$ 10,928,540</u>	<u>5,852,627</u>

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

C. Summary of Annual Debt Service Requirements To Maturity - Annual Principle & Interest

General Obligation Bonds

The City issues general obligation bonds to provide funds for City improvements. These are direct obligations and pledge the full faith and credit of the City. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 2,864,580	762,702	3,627,282
2014	2,469,580	670,323	3,139,903
2015	1,585,000	586,744	2,171,744
2016	1,650,000	529,259	2,179,259
2017	1,350,000	470,599	1,820,599
2018 - 2022	5,730,000	1,733,263	7,463,263
2023 - 2027	5,380,000	657,675	6,038,717
Total	\$ 21,029,160	5,411,607	26,440,767

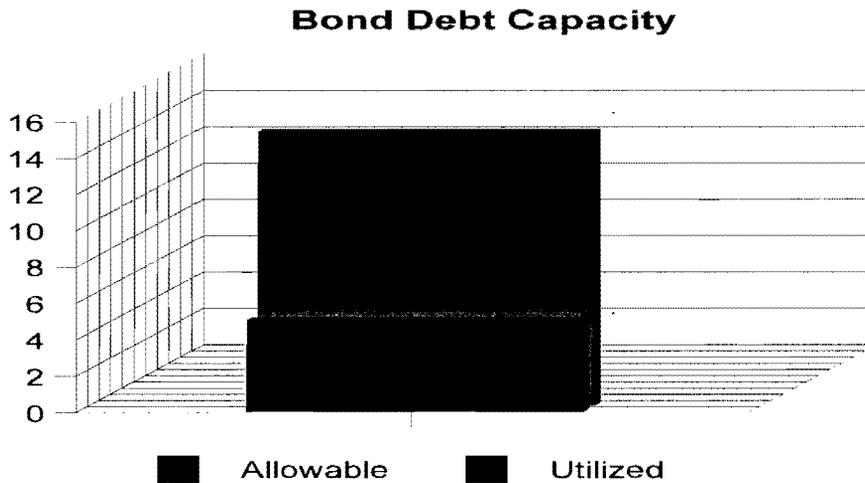
The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding bonded debt during a year can be no greater than 15% of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, unless certain conditions, such as set forth in state statutes under Mississippi Code Ann., Section 21-33-303, have been met which increases the bonded debt to no greater than 20% of the assessed value. As of September 30, 2012, the amount of outstanding bonded debt was equal to 4.95% of property assessments of \$420,687,790, computed as follows:

Bonded Debt:	
General Obligation Bonds	\$ 21,029,160
Enterprise Funds	11,035,840
Less Excludable Debt:	
Special Assessment	(195,000)
Enterprise Funds	(11,035,840)
Total Debt Subject to Limitation	20,834,160
Assessed Valuation	\$ 420,687,790
Percentage	4.95%

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

The following is a graphic representation of the bond debt capacity.



Advance Refunding

On May 1, 2012, the City issued \$3,230,000 in Refunding Bonds, Series 2012 with an average interest rate of 2.0% to advance refund \$3,240,000 of outstanding Public Improvement Bonds, Series 2004 with an average interest rate of 2-3%. The net proceeds of \$3,240,000 after payments of \$71,362 for issuance costs and a discount of \$32,300 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment requirements on the Bonds, Series 2004.

As a result, the Bonds, Series 2004 are considered to be defeased and the liability for those bonds has been removed from long-term liabilities.

The City advance refunded the Bonds, Series 2004 to reduce its total debt service payments over the remaining seven years of the debt by approximately \$222,319 and to realize an economic gain of \$212,593.

Other Long - Term Debt

The fund to retire each debt and a maturity schedule for the loans (and/or comments, where applicable) are as follows:

Madison County Contract Payable

Annual debt service requirements to maturity for Madison County Contract Payable are as follows:

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>		
\$2,500,000	6/1/91	6/1/14		
<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2013	\$ 106,950	10,982	117,932	
2014	112,700	5,634	118,334	
Total	\$ 219,650	16,616	236,266	

This debt is to be retired from the Debt Service Fund (General Obligation Bonds and Notes Fund).

As explained above the City entered into an agreement with Madison County to initiate a parkway. When the actual costs of the parkway exceeded the original projection, in the 1991 fiscal year, the City authorized Madison County, Mississippi, to issue bonds of up to \$2.5 million to pay for the excess. The City would, by this agreement, retire these bonds of the County. Madison County issued these bonds during the year ended September 30, 1994; the City's liability is reflected as "Madison County Contract Payable" in the Schedule of Long-term Debt in these financial statements.

Mississippi Department of Transportation

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>		
\$5,072,000	10/11/06	6/30/26		
<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2013	\$ 214,200	204,561	418,761	
2014	224,900	193,583	418,483	
2015	236,200	182,055	418,255	
2016	248,000	169,950	417,950	
2017	260,400	157,240	417,640	
2018 - 2022	1,510,700	572,173	2,082,873	
2023 - 2026	1,503,900	154,973	1,658,873	
Total	\$ 4,198,300	1,634,535	5,832,835	

This debt is to be retired from the Debt Service Fund.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Capital Lease - Equipment

This debt was paid off during the year and retired from the Court Services Fees from the General Fund.

Mississippi Development Authority

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$2,295,482	12/01/09	12/01/16

<u>Year Ending September 30</u>	<u>Principal</u>
2013	\$ 286,935
2014	286,935
2015	286,935
2016	286,935
2017	286,937
 Total	 \$ 1,434,677

This debt is to be retired from the Debt Service Fund.

Bond Premiums:

	<u>Balance 9-30-11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9-30-12</u>
2010 issue	\$ 185,771		45,567	140,204
2010 issue	15,688		988	14,700
2011 issue	60,521		4,126	56,395
2011 issue	2,928		1,722	1,206
2012 issue		113,662	6,765	106,897
 Total	 \$ 264,908	 113,662	 59,168	 319,402

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City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Bond Issuance Costs:

	Balance 9-30-11	Additions	Reductions	Balance 9-30-12
2010 issue	\$ 61,394		13,900	47,494
2011 issue	71,451		4,872	66,579
2011 issue	4,672		348	4,324
2012 issue		71,362	4,250	67,112
Total	\$ 137,517	71,362	23,370	185,509

7. BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS

The following is a summary of the capital assets of the Enterprise Funds at September 30, 2012.

	Public Revenue Balance 10-1-2011	Additions	Deletions	Adjustments	Public Revenue Balance 9-30-2012
<u>Non-depreciable capital assets:</u>					
Land	\$ 661,814				661,814
Construction in progress	13,695,478	1,757,972			15,453,450
Total non-depreciable capital assets	14,357,292	1,757,972	0	0	16,115,264
<u>Depreciable capital assets:</u>					
Buildings	782,034				782,034
Utility Systems	27,199,560	360,224			27,559,784
Vehicles	1,188,020		30,986		1,157,034
Machinery and equipment	1,036,946	52,639	3,878	9,305	1,095,012
Total depreciable capital assets	30,206,560	412,863	34,864	9,305	30,593,864
<u>Less accumulated depreciation for:</u>					
Buildings	404,063	32,208			436,271
Utility Systems	8,902,511	856,248			9,758,759
Vehicles	1,040,509	34,444	30,986		1,043,967
Machinery and equipment	679,136	104,194	3,334	8,209	788,205
Total accumulated depreciation	11,026,219	1,027,094	34,320	8,209	12,027,202
Total depreciable capital assets, net	19,180,341	(614,231)	544	1,096	18,566,662
Business-type activities capital assets, net	\$ 33,537,633	1,143,741	544	1,096	34,681,926

Adjustments were made to record transfers of equipment from governmental activities to business-type activities.

City of Ridgeland, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2012

The following are the amounts spent to September 30, 2012 of the business-type activities of the City of Ridgeland:

Livingston Road Water Improvement/Western Water	\$	8,513,155
West Sewer/White Oak Creek Interceptor Phase I		5,894,199
School Street/Wheatley Street Utility Relocation		699,870
Triangle Water Line		312,091
Maple Street Pump Station/Jackson St. Pump Station Abandonment		<u>34,135</u>
Total	\$	<u>15,453,450</u>

8. BUSINESS-TYPE ACTIVITIES - LONG-TERM DEBT

The following is a detail of changes in the enterprise funds long-term debt.

	Balance 10-1-2011	Additions	Retirements	Restatements	Balance 9-30-2012	Amounts due within one year
General Obligation Bonds:						
Water & Sewer	\$ 7,970,000		345,000		7,625,000	370,000
Bond Premium	14,198		894		13,304	894
Refunding bonds	2,129,367		38,731		2,090,636	43,731
Bond Premium	29,699		2,534		27,165	2,433
Refunding bonds	1,466,894		146,690		1,320,204	146,689
Bond Premium	20,444		2,652		17,792	2,179
Total	<u>11,630,602</u>	<u>0</u>	<u>536,501</u>	<u>0</u>	<u>11,094,101</u>	<u>565,926</u>
Other Long - Term Debt:						
State Revolving Fund (SRF) Loan	775,407		131,603		643,804	137,649
Drinking Water Initiative Loan	1,709,272		76,261		1,633,011	77,762
State Revolving Loan	1,879,103		81,577		1,797,526	83,016
Madison County Waster Water Authority		363,006	6,534		356,472	15,874
Madison County Waster Water Authority			41,846	762,742	720,896	43,434
Madison County Waster Water Authority			17,618	387,518	369,900	17,929
Madison County Waster Water Authority			13,886	179,554	165,668	14,131
Compensated Absences	53,650	42,797	38,726		57,721	2,886
Total Other Long - Term Debt	<u>4,417,432</u>	<u>405,803</u>	<u>408,051</u>	<u>1,329,814</u>	<u>5,744,998</u>	<u>392,681</u>
Total Enterprise Fund Debt	<u>\$ 16,048,034</u>	<u>405,803</u>	<u>944,552</u>	<u>1,329,814</u>	<u>16,839,099</u>	<u>958,607</u>

The restatement was to reflect debt existing in prior years and not recorded in the City's books.

General Obligation Bonds

General obligation enterprise bonds are, as their name implies, general obligations of the City of Ridgeland, Mississippi. The public utility refunding bonds refunded part of the general obligation enterprise bonds. Accordingly, such annual debt service requirements to maturity for the City's proprietary fund bonds are as follows:

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 560,420	434,509	994,929
2014	570,420	411,664	982,084
2015	665,000	387,559	1,052,559
2016	690,000	361,371	1,051,371
2017	715,000	336,109	1,051,109
2018 - 2022	4,020,003	1,254,638	5,274,641
2023 - 2027	<u>3,814,997</u>	<u>442,835</u>	<u>4,257,832</u>
Total	\$ <u>11,035,840</u>	<u>3,628,685</u>	<u>14,664,525</u>

This debt will be paid from the Public Utility Fund.

Other Long - Term Debt

State Revolving Fund (SRF) Loan

<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>
\$2,135,283	4/3/97	1/3/17

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 137,649	26,155	163,804
2014	143,972	19,832	163,804
2015	150,586	12,079	162,665
2016	157,504	6,300	163,804
2017	<u>54,093</u>	<u>508</u>	<u>54,601</u>
Total	\$ <u>643,804</u>	<u>64,874</u>	<u>708,678</u>

This debt will be retired from the Public Utility Fund.

State Revolving Loan

<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>
\$1,771,698	10/18/10	6/1/30

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 77,762	31,151	108,913
2014	79,292	29,621	108,913
2015	80,852	28,061	108,913
2016	82,443	26,470	108,913
2017	84,065	24,848	108,913
2018 - 2022	445,795	98,770	544,565
2023 - 2027	491,411	53,154	544,565
2028 - 2030	291,391	8,119	299,510
Total	\$ 1,633,011	300,194	1,933,205

This debt will be retired from the Public Utility Fund.

State Revolving Fund (SRF) Loan

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$1,899,275	05-06-11	03-01-31

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 83,016	30,793	113,809
2014	84,481	29,328	113,809
2015	85,971	27,838	113,809
2016	87,488	26,322	113,810
2017	89,031	24,778	113,809
2018 - 2022	469,277	99,770	569,047
2023 - 2027	512,156	56,892	569,048
2028 - 2031	386,106	12,227	398,333
Total	\$ 1,797,526	307,948	2,105,474

This debt will be retired from the Public Utility Fund.

Madison County Waste Water Authority - Bozeman Pump/Forcemain

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$363,006	02-15-12	10-05-31

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City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 15,874	6,111	21,985
2014	16,154	5,831	21,985
2015	16,439	5,546	21,985
2016	16,729	5,256	21,985
2017	17,025	4,961	21,986
2018 - 2022	89,735	20,194	109,929
2023 - 2027	97,934	11,994	109,928
2028 - 2031	86,582	3,194	89,776
Total	\$ 356,472	63,087	419,559

This debt will be retired from the Public Utility Fund.

Madison County Waste Water Authority - Bank Plus Loan

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$800,000	11-01-10	11-01-25

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 43,434	26,285	69,719
2014	45,082	24,637	69,719
2015	46,792	22,926	69,718
2016	48,568	21,150	69,718
2017	50,411	19,308	69,719
2018 - 2022	278,697	69,894	348,591
2023 - 2026	207,912	12,384	220,296
Total	\$ 720,896	196,584	917,480

This debt will be retired from the Public Utility Fund.

Madison County Waste Water Authority - Parkway Forcemain

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$404,830	03-31-07	06-10-30

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 17,929	6,330	24,259
2014	18,245	6,014	24,259
2015	18,567	5,692	24,259
2016	18,894	5,364	24,258
2017	19,228	5,031	24,259
2018 - 2022	101,347	19,945	121,292
2023 - 2027	110,607	10,686	121,293
2028 - 2031	65,083	1,626	66,709
Total	\$ 369,900	60,688	430,588

This debt will be retired from the Public Utility Fund.

Madison County Waste Water Authority - Catlett Road

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$282,322	04-20-04	06-01-23

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 14,131	2,786	16,917
2014	14,381	2,537	16,918
2015	14,634	2,283	16,917
2016	14,892	2,025	16,917
2017	15,155	1,762	16,917
2018 - 2022	79,881	4,686	84,567
2023	12,594	92	12,686
Total	\$ 165,668	16,171	181,839

This debt will be retired from the Public Utility Fund.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Bond Premiums:

	<u>Balance</u> <u>9-30-11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9-30-12</u>
2010 issue	\$ 14,198		894	13,304
2011 issue	<u>50,143</u>		<u>5,186</u>	<u>44,957</u>
Total	<u>\$ 64,341</u>	<u>0</u>	<u>6,080</u>	<u>58,261</u>

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Ridgeland, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit public employee pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The contribution rate is 12.93% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2012, 2011 and 2010 were \$1,363,824, \$1,274,133, and \$1,290,067, respectively, which equaled the required contributions for each year.

10. DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

A generic fund type listing of the individual funds that have a deficit fund balance, including amounts of the deficits, is as follows:

	<u>Amount</u>
<u>Capital Project Funds</u>	
Longmeadow Drainage Fund	\$ 52,168
Avery Blvd. Special Assessment	387,369
Madison Ridgeland Interchange	8,620

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

Lake Harbour Recon. 51 to NP	5,657,048
Centre St. Ridgewood Signal	154,065
Pear Orchard Rice Road Signal	280,569
Lake Harbour Dr. Ext.	85,011
Harbor Crossing TIF	1,030
Culley- Brashear Creek	57,986
City Center Fund	4,586,633
Rice Road Trail Head Improvements	<u>28,371</u>
Total	\$ <u>11,298,870</u>

These deficits are not in violation of state law and will be remedied by the proceeds of bonds already issued.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The city finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The city pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$500,000 for employees for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

12. HEALTH INSURANCE

The City of Ridgeland became self-insured in February 2003. Blue Cross Blue Shield of Mississippi is the third party administrator and their mailing address is P.O. Box 1043, Jackson, MS 39215. Under this new plan, the employee benefit plan payments to be covered are medical and prescription drug card. The aggregate percentage reimbursable (excess of aggregate deductible) is 100%. For the purpose of the aggregate excess insurance, the maximum allowable covered expenses per person is \$60,000 for the contract period. No active service is required and retirees are not covered. The City has a stop loss policy in effect in the event that the reimbursement maximum exceeds \$1,025,602.

City of Ridgeland, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2012

13. PRIOR PERIOD ADJUSTMENTS

A summary of significant fund equity adjustments are as follows:

Exhibit A-2 - Statement of Activities

<u>Explanation:</u>	<u>Amount</u>
<u>Governmental Activities:</u>	
1 See comment below (Exhibit A-5)	\$ (69,652)
2 To record transfers of capital equipment from governmental activities to business-type activities.	(865)
	<hr/>
Total Governmental Activities	\$ <u>(70,517)</u>
<u>Business-Type Activities:</u>	
1 To record debt not recorded in prior years.	(1,329,814)
2 To record transfers of capital equipment from governmental activities to business-type activities.	1,096
	<hr/>
Total Business-Type Activities	\$ <u>(1,328,718)</u>

Exhibit A-5 - Statement of Revenues, Expenditures and Changes in Fund Balances

<u>Fund</u>	<u>Explanation</u>	<u>Amount</u>
Other Governmental Funds	To restate beginning balance in debt service fund.	\$ (69,652)
		<hr/>

Exhibit A-8 - Statement of Revenues, Expenditures and Changes in Net Assets

<u>Fund</u>	<u>Explanation</u>	<u>Amount</u>
Public Utility Fund	See comment above (Exhibit A-2).	\$ (1,329,814)
Public Utility Fund	See comment above (Exhibit A-2).	1,096
		<hr/>
Total		\$ <u>(1,328,718)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required to be accounted for in another fund.

The City maintains one general fund.

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CITY OF RIDGELAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	10,005,419	10,093,890	10,360,517	266,627
Property taxes	4,862,687	4,862,687	4,846,678	(16,009)
Licenses and permits	1,410,000	1,410,000	1,416,337	6,337
Fines and forfeitures	1,310,000	1,340,362	1,316,046	(24,316)
Investment income	300,000	300,000	264,581	(35,419)
Charges for services	1,890,829	1,867,829	1,817,514	(50,315)
Intergovernmental	924,000	924,000	844,507	(79,493)
Miscellaneous	60,000	70,074	172,744	102,670
Total Revenues	20,762,935	20,868,842	21,038,924	170,082
Expenditures:				
Current:				
General government:				
Personnel services	1,692,834	1,663,741	1,625,006	38,735
Supplies	55,924	47,690	37,121	10,569
Other services	921,165	940,390	834,713	105,677
Capital outlay	46,873	66,756	56,326	10,430
	<u>2,716,796</u>	<u>2,718,577</u>	<u>2,553,166</u>	<u>165,411</u>
Public safety:				
Personnel services	9,150,147	9,127,137	8,383,001	744,136
Supplies	465,971	524,187	508,751	15,436
Other services	1,161,206	1,174,597	1,221,571	(46,974)
Capital outlay	350,030	588,639	574,100	14,539
	<u>11,127,354</u>	<u>11,414,560</u>	<u>10,687,423</u>	<u>727,137</u>
Public works:				
Personnel services	1,652,480	1,652,480	1,600,473	52,007
Supplies	742,000	742,000	720,766	21,234
Other services	982,632	1,002,949	917,552	85,397
Capital outlay	62,075	438,422	315,222	123,200
	<u>3,439,187</u>	<u>3,835,851</u>	<u>3,554,013</u>	<u>281,838</u>
Sanitation:				
Other services	1,100,000	1,100,000	1,190,088	(90,088)
	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,190,088</u>	<u>(90,088)</u>
Health and welfare:				
Supplies	54,500	54,500	38,579	15,921
	<u>54,500</u>	<u>54,500</u>	<u>38,579</u>	<u>15,921</u>
Culture and recreation:				
Personnel services	899,452	915,772	915,771	1
Supplies	253,940	206,179	186,332	19,847
Other services	889,531	921,553	907,029	14,524
Capital outlay	101,500	101,500	80,777	20,723
	<u>2,144,423</u>	<u>2,145,004</u>	<u>2,089,909</u>	<u>55,095</u>

CITY OF RIDGELAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic development:				
Other services	75,000	75,000	37,500	37,500
	<u>75,000</u>	<u>75,000</u>	<u>37,500</u>	<u>37,500</u>
Capital Outlay:				
Capital Outlay	-	-	468,342	(468,342)
	<u>-</u>	<u>-</u>	<u>468,342</u>	<u>(468,342)</u>
Debt service:				
Principal	69,580	69,580	69,580	-
Interest and fiscal charges	184,001	184,001	4,530	179,471
	<u>253,581</u>	<u>253,581</u>	<u>74,110</u>	<u>179,471</u>
Total expenditures	<u>20,910,841</u>	<u>21,597,073</u>	<u>20,693,130</u>	<u>1,372,285</u>
Excess (deficiency) of revenues over (under) expenditu	(147,906)	(728,231)	345,794	(1,202,203)
Other financing sources (uses):				
Transfers in	-	-	856,430	856,430
Transfers out	(238,471)	(326,942)	(1,183,372)	(856,430)
Sale of equipment	50,000	50,000	42,741	(7,259)
Total other financing sources (uses)	<u>(188,471)</u>	<u>(276,942)</u>	<u>(284,201)</u>	<u>(7,259)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(336,377)	(1,005,173)	61,593	(1,209,462)
Fund balance - beginning	-	-	13,307,217	13,307,217
Prior period adjustment	-	-	-	-
Fund balance - restated	<u>-</u>	<u>-</u>	<u>13,307,217</u>	<u>13,307,217</u>
Fund balances/equity, September 30	<u>(336,377)</u>	<u>(1,005,173)</u>	<u>13,368,810</u>	<u>12,097,755</u>

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City of Ridgeland, Mississippi

Notes to the Required Supplementary Information For the Year Ended September 30, 2012

Budgetary Comparison Schedule

(1) Basis of Presentation.

All funds of the City of Ridgeland, Mississippi, governmental and enterprise, are budgeted, and are presented in either the accompanying financial statements or in schedules thereto. For comparison purposes, the final, amended budget is utilized, and it is presented on a modified cash basis of accounting as required by the State of Mississippi, which is not consistent with generally accepted accounting principles. All budgetary appropriations lapse at year-end.

(2) Budget amendments and revisions.

The budget is adopted and may be amended by the Board of Aldermen. A budgetary comparison is presented for the general fund and each major fund and is presented on a modified cash basis of accounting.

(3) This year there were no adjustments to reconcile the modified cash basis of accounting to GAAP.

OTHER SUPPLEMENTARY INFORMATION

Supplementary information is presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation, in order to be in conformity with Generally Accepted Accounting Principles.

CITY OF RIDGELAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Fund Forfeiture and Seizure Fund	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:				
<i>Pooled cash and cash equivalents</i>	\$ 91,997	\$ --	\$ --	\$ 91,997
<i>Investments</i>	--	--	5,983,846	5,983,846
<i>Accounts receivable</i>	--	65,170	--	65,170
<i>Interfund receivable</i>	376	850,663	6,061,840	6,912,879
<i>Tax increment financing receivable</i>	--	3,354,003	--	3,354,003
Total Assets	\$ 92,373	\$ 4,269,836	\$ 12,045,686	\$ 16,407,895
Liabilities and Fund Balances:				
Liabilities:				
<i>Due to other funds</i>	\$ --	\$ 497,891	\$ --	\$ 497,891
<i>Interfund payables</i>	143	282,750	11,399,841	11,682,734
<i>Unearned revenue</i>	--	417,743	--	417,743
<i>Tax increment financing payable</i>	--	3,071,253	--	3,071,253
Total Liabilities	143	4,269,637	11,399,841	15,669,621
Fund balances:				
Restricted				
<i>Debt service</i>	--	199	--	199
<i>Capital projects</i>	--	--	11,944,715	11,944,715
Assigned				
<i>Forfeiture and seizure</i>	92,230	--	--	92,230
Unassigned				
<i>Total Fund Balances</i>	92,230	199	(11,298,870)	(11,298,870)
Total Liabilities and Fund Balances	\$ 92,373	\$ 4,269,836	\$ 12,045,686	\$ 16,407,895

CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Fund Forfeiture and Seizure Fund	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Property taxes	\$ --	\$ 382,486	\$ --	\$ 382,486
Investment income	1,995	701	61,450	64,146
Special Assessments	--	43,919	--	43,919
Intergovernmental programs	11,992	339,862	473,345	825,199
Total Revenues	13,987	766,968	534,795	1,315,750
Expenditures:				
Public safety	20,000	--	--	20,000
Capital outlay	--	--	762,265	762,265
Debt service:				
Principal	--	35,000	--	35,000
Interest	--	906,109	--	906,109
Other	--	4,909	--	4,909
Total Expenditures	20,000	946,018	762,265	1,728,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,013)	(179,050)	(227,470)	(412,533)
Other Financing Sources (Uses):				
Transfers in	--	176,942	213,990	390,932
Transfers out	--	--	(25,354)	(25,354)
Sale of assets	2,476	--	--	2,476
Total Other Financing Sources (Uses)	2,476	176,942	188,636	368,054
Net Change in Fund Balances	(3,537)	(2,108)	(38,834)	(44,479)
Fund Balances - Beginning	95,767	71,959	684,679	852,405
Prior period adjustments	--	(69,652)	--	(69,652)
Fund Balances - Restated	95,767	2,307	684,679	782,753
Fund Balances - Ending	\$ 92,230	\$ 199	\$ 645,845	\$ 738,274

SPECIAL REVENUE FUND

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes.

The City maintains one special revenue fund:

1. Forfeiture and Seizures - This fund accounts for the revenues and related expenditures for forfeitures and seizures of the Ridgeland Police Department.

City of Ridgeland
 Forfeiture and Seizures Fund
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-3

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	1,995	1,995
Intergovernmental programs	-	-	11,992	11,992
Total Revenues	-	-	13,987	13,987
Expenditures:				
Public Safety	-	20,000	20,000	-
Total Expenditures	-	20,000	20,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(20,000)	(6,013)	13,987
Other Financing Sources (Uses):				
Sale of assets	-	-	2,476	2,476
Total Other Financing Sources (Uses)	-	-	2,476	2,476
Net Change in Fund Balances	-	(20,000)	(3,537)	16,463
Fund Balances - Beginning	-	-	95,767	95,767
Fund Balances - Ending	\$ -	(20,000)	92,230	112,230

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DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal which are obligated in some manner for payment.

The City maintains the following six (6) debt service funds to accomplish the afore stated purposes:

1. Debt Service Fund - This fund accounts for the payment of general obligation bonds.
2. Colony Park TIF Bond Debt - This fund accounts for the collections of tax increment financing (TIF) distributions for payment of the Colony Park TIF bonds.
3. S. A. School Creek Intercept - This fund is used for the collection of the Special Assessments.
4. Avery Boulevard Special Assessment Bond Fund - This fund accounts for the collection of Special Assessments Bonds.
5. TIF Bond Debt Lowes - This fund accounts for the collections for the TIF bond debt Lowes.
6. Bonds Issued Fund - This fund accounts for payment for bond issuance fees.

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City of Ridgeland
 Debt Service Fund
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-4

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 3,260,411	3,260,411	3,261,405	994
Investment income	10,000	10,000	28,682	18,682
Intergovernmental programs	-	-	13,802	13,802
Total Revenues	<u>3,270,411</u>	<u>3,270,411</u>	<u>3,303,889</u>	<u>33,478</u>
Expenditures:				
Debt Service:				
Principal	3,213,177	3,213,177	3,369,024	(155,847)
Interest	1,061,498	1,061,498	964,450	97,048
Debt issuance costs	-	-	71,362	(71,362)
Other	15,000	15,000	14,070	930
Total Expenditures	<u>4,289,675</u>	<u>4,289,675</u>	<u>4,418,906</u>	<u>(129,231)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,019,264)</u>	<u>(1,019,264)</u>	<u>(1,115,017)</u>	<u>(95,753)</u>
Other Financing Sources (Uses):				
Transfers in	150,000	150,000	150,000	-
Issuance of bonds	-	-	3,230,000	3,230,000
Premium on bonds	-	-	113,662	113,662
Payment to refunded bond escrow agent	-	-	(3,240,000)	(3,240,000)
	-	-	(32,300)	(32,300)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>221,362</u>	<u>221,362</u>
Net Change in Fund Balances	<u>(1,019,264)</u>	<u>(1,019,264)</u>	<u>(893,655)</u>	<u>125,609</u>
Fund Balances - Beginning	-	-	1,169,077	1,169,077
Fund Balances - Ending	<u>\$ (1,019,264)</u>	<u>(1,019,264)</u>	<u>275,422</u>	<u>1,294,686</u>

City of Ridgeland
 Colony Park TIF Bond Debt
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-5

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Sales taxes	\$ 1,056,257	1,056,257	1,732,518	676,261
Property taxes	653,261	653,261	-	(653,261)
Investment income	-	-	3,502	3,502
Intergovernmental programs	1,127,384	1,127,384	1,018,395	(108,989)
Total Revenues	2,836,902	2,836,902	2,754,415	(82,487)
Expenditures:				
Debt Service:				
Principal	1,175,000	1,175,000	1,175,000	-
Interest	1,661,902	1,661,902	1,572,250	89,652
Other	5,000	5,000	2,165	2,835
Total Expenditures	2,841,902	2,841,902	2,749,415	92,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	5,000	10,000
Net Change in Fund Balances	(5,000)	(5,000)	5,000	10,000
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ (5,000)	(5,000)	5,000	10,000

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CITY OF RIDGELAND
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2012

	S.A. School Creek Intercept	Avery Blvd SA Bond Fund
Assets:		
<i>Accounts receivable</i>	\$ 65,170	\$ --
<i>Interfund receivable</i>	432,721	417,743
<i>Tax increment financing receivable</i>	--	--
Total Assets	\$ 497,891	\$ 417,743
Liabilities and Fund Balances:		
Liabilities:		
<i>Due to other funds</i>	\$ 497,891	\$ --
<i>Interfund payables</i>	--	--
<i>Unearned revenue</i>	--	417,743
<i>Tax increment financing payable</i>	--	--
Total Liabilities	497,891	417,743
Fund balances:		
Restricted		
<i>Debt service</i>	--	--
Total Fund Balances	--	--
Total Liabilities and Fund Balances	\$ 497,891	\$ 417,743

EXHIBIT C-6

TIF Bond Debt Lowe's	Bonds Issued Fund	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ --	\$ --	\$ 65,170
--	199	850,663
3,354,003	--	3,354,003
<u>\$ 3,354,003</u>	<u>\$ 199</u>	<u>\$ 4,269,836</u>
\$ --	\$ --	\$ 497,891
282,750	--	282,750
--	--	417,743
3,071,253	--	3,071,253
3,354,003	--	4,269,637
--	199	199
--	199	199
<u>\$ 3,354,003</u>	<u>\$ 199</u>	<u>\$ 4,269,836</u>

CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	S.A. School Creek Intercept	Avery Blvd SA Bond Fund
Revenues:		
Property taxes	\$ --	\$ --
Investment income	51	650
Special Assessments	--	43,919
Intergovernmental programs	--	--
Total Revenues	51	44,569
Expenditures:		
Debt service:		
Principal	--	35,000
Interest	--	8,819
Other	2,159	750
Total Expenditures	2,159	44,569
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,108)	--
Other Financing Sources (Uses):		
Transfers in	--	--
Total Other Financing Sources (Uses)	--	--
Net Change in Fund Balances	(2,108)	--
Fund Balances - Beginning	71,760	--
Prior period adjustments	(69,652)	--
Fund Balances - Restated	2,108	--
Fund Balances - Ending	\$ --	\$ --

EXHIBIT C-7

	TIF Bond Debt Lowe's	Bonds Issued Fund	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$	382,486	\$ --	\$ 382,486
	--	--	701
	--	--	43,919
	339,862	--	339,862
	722,348	--	766,968
	--	--	35,000
	897,290	--	906,109
	2,000	--	4,909
	899,290	--	946,018
	(176,942)	--	(179,050)
	176,942	--	176,942
	176,942	--	176,942
	--	--	(2,108)
	--	199	71,959
	--	--	(69,652)
	--	199	2,307
\$	\$ --	\$ 199	\$ 199

City of Ridgeland
 S.A. School Creek Intercept
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-8

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	51	51
Special assessments	74,000	74,000	-	(74,000)
Total Revenues	74,000	74,000	51	(73,949)
Expenditures:				
Debt Service:				
Other	2,500	2,500	2,159	341
Total Expenditures	2,500	2,500	2,159	341
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,500	71,500	(2,108)	(73,608)
Net Change in Fund Balances	71,500	71,500	(2,108)	(73,608)
Fund Balances - Beginning	-	-	71,760	71,760
Prior Period Adjustment	-	-	(69,652)	(69,652)
Fund Balances - Restated	-	-	2,108	2,108
Fund Balances - Ending	\$ 71,500	71,500	-	(71,500)

City of Ridgeland
 Avery Boulevard Special Assessment Bond Fund
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-9

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	650	650
Special assessments	52,425	52,425	43,919	(8,506)
Total Revenues	52,425	52,425	44,569	(7,856)
Expenditures:				
Debt Service:				
Principal	35,000	35,000	35,000	-
Interest	8,819	8,819	8,819	-
Other	2,000	2,000	750	1,250
Total Expenditures	10,819	10,819	44,569	(33,750)
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,606	41,606	-	(41,606)
Net Change in Fund Balances	41,606	41,606	-	(41,606)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ 41,606	41,606	-	(41,606)

City of Ridgeland
 TIF Bond Debt Lowes
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-10

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Sales taxes	\$ 313,756	313,756	-	(313,756)
Property taxes	68,730	68,730	382,486	313,756
Intergovernmental programs	439,469	439,469	339,862	(99,607)
Total Revenues	<u>821,955</u>	<u>821,955</u>	<u>722,348</u>	<u>(99,607)</u>
Expenditures:				
Debt Service:				
Principal	446,895	446,895	-	446,895
Interest	231,764	231,764	897,290	(665,526)
Other	2,000	2,000	2,000	-
Total Expenditures	<u>680,659</u>	<u>680,659</u>	<u>899,290</u>	<u>(218,631)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>141,296</u>	<u>141,296</u>	<u>(176,942)</u>	<u>(318,238)</u>
Other Financing Sources (Uses):				
Transfers in	88,471	88,471	176,942	88,471
Total Other Financing Sources (Uses)	<u>88,471</u>	<u>88,471</u>	<u>176,942</u>	<u>88,471</u>
Net Change in Fund Balances	<u>141,296</u>	<u>141,296</u>	<u>-</u>	<u>(141,296)</u>
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ 141,296</u>	<u>141,296</u>	<u>-</u>	<u>(141,296)</u>

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CAPITAL PROJECT FUNDS

The Capital Project Fund Type is used to account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Individual capital project funds are utilized by the municipality to account for its construction projects. The names of the capital project funds utilized and the purpose of that fund is as follows:

1. Longmeadow Drainage Fund - This fund accounts for drainage improvements at Longmeadow subdivision.
2. Avery Boulevard Special Assessment Fund - This fund accounts for extending Avery Boulevard to Towne Center Boulevard by Special Assessments.
3. Madison/Ridgeland Interchange Road - A fund used to account for road development.
4. 2004 6 Mil Bond Issue Fund - This fund accounts for the capital projects funded by a public improvement bond issued May 1, 2004.
5. Sunnybrook Sewer Ext Fund - A fund used to account for the sewer accommodation for a development of the City.
6. Lake Harbour Recon. 51 to NP - This fund accounts for the expenditures of the widening of lanes from Lake Harbor to Hwy. 51.
7. Centre St. Ridgewood Signal - This fund accounts for the preliminary design for a proposed signal at Centre Street and Ridgewood Road.
8. Pear Orchard/Rice Road Signal - This fund accounts for the preliminary design for a proposed signal at Pear Orchard and Rice Road.
9. Lake Harbour Drive Ext. - This funds accounts for the fees associated with the proposed extension of the Lake Harbour with the Highland Colony parkway.
10. 2007 Bond Issue Fund - This fund accounts for the widening of Lake Harbor Drive to 5 lanes, improvements to Wolcott Park and various drainage improvements.
11. Harbor Crossing TIF - This fund accounts for a development on Harbor Drive.
12. Highland Colony Overlay - This fund accounts for a repair project financed by the ARRA.
13. Culley-Brashear Creek Fund - This fund accounts for drainage improvements at Culley-Brashear Creek.
14. City Center Fund - This fund accounts for the acquisition of land to build the new City Hall/City Center.

15. Universal DES Playground Fund - This fund accounts for the playground project at Freedom Ridge Park. This project is funded by CDBG funds.
16. Craft Center Parking Lot Fund - This fund accounts for the parking lot project at the MS Craft Center.
17. 5.7 Mil Bond Issue Fund - This fund accounts for the capital projects funded by a public improvement bond issued May 31, 2011.
18. Rice Road Trail Head Improvements - This fund accounts for the project to build a covered pavillion with restrooms, picnic tables and a bike repair station at the multi use trail head.
19. W/Oak Ck Dinsmor Swr Ext - A fund used to account for sewer and drainage system accomodations for development of the City.

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CITY OF RIDGELAND
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2012

	Longmeadow Drainage Fund	Avery Blvd Special Assessment	Madison Ridgeland Interchange	2004 6 Mil Bond Issue Fund
Assets:				
<i>Investments</i>	\$ --	\$ --	\$ --	\$ --
<i>Interfund receivable</i>	--	--	--	303,806
Total Assets	\$ --	\$ --	\$ --	\$ 303,806
Liabilities and Fund Balances:				
Liabilities:				
<i>Interfund payables</i>	\$ 52,168	\$ 387,369	\$ 8,620	\$ --
Total Liabilities	52,168	387,369	8,620	--
Fund balances:				
Restricted				
<i>Capital projects</i>	--	--	--	303,806
Unassigned	(52,168)	(387,369)	(8,620)	--
Total Fund Balances	(52,168)	(387,369)	(8,620)	303,806
Total Liabilities and Fund Balances	\$ --	\$ --	\$ --	\$ 303,806

Lake Harbour Recon 51 to NP	Centre St. Ridgewood Signal	Pear Orchard Rice Road Signal	Lake Harbour Drive Ext.	2007 Bond Issue Fund
\$ --	\$ --	\$ --	\$ --	\$ 5,983,846
\$ --	\$ --	\$ --	\$ --	\$ 5,983,846
\$ 5,657,048 5,657,048	\$ 154,065 154,065	\$ 280,569 280,569	\$ 85,011 85,011	\$ 98,661 98,661
-- (5,657,048) (5,657,048)	-- (154,065) (154,065)	-- (280,569) (280,569)	-- (85,011) (85,011)	5,885,185 -- 5,885,185
\$ --	\$ --	\$ --	\$ --	\$ 5,983,846

CITY OF RIDGELAND
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2012

	Harbor Crossing TIF	Culley- Brashear Creek Fund	City Center Fund	Universal DES Playground Fund
Assets:				
<i>Investments</i>	\$ --	\$ --	\$ --	\$ --
<i>Interfund receivable</i>	--	--	--	25,143
Total Assets	\$ --	\$ --	\$ --	\$ 25,143
Liabilities and Fund Balances:				
Liabilities:				
<i>Interfund payables</i>	\$ 1,030	\$ 57,986	\$ 4,586,633	\$ --
Total Liabilities	1,030	57,986	4,586,633	--
Fund balances:				
Restricted				
<i>Capital projects</i>	--	--	--	25,143
Unassigned				
Total Fund Balances	(1,030)	(57,986)	(4,586,633)	--
Total Liabilities and Fund Balances	\$ --	\$ --	\$ --	\$ 25,143

	Craft Center Parking Lot Fund	5.7 Mil Bond Issue Fund	Rice Road Trailhead Improvements	W/Oak Ck Dinsmor Swr Ext	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
	\$ --	\$ --	\$ --	\$ --	\$ 5,983,846
	97,007	5,635,884	--	--	6,061,840
	<u>\$ 97,007</u>	<u>\$ 5,635,884</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,045,686</u>
	\$ 1,710	\$ 600	\$ 28,371	\$ --	\$ 11,399,841
	1,710	600	28,371	--	11,399,841
	95,297	5,635,284	--	--	11,944,715
	--	--	(28,371)	--	(11,298,870)
	95,297	5,635,284	(28,371)	--	645,845
	<u>\$ 97,007</u>	<u>\$ 5,635,884</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,045,686</u>

CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Longmeadow Drainage Fund	Avery Blvd Special Assessment	Madison Ridgeland Interchange	2004 6 Mil Bond Issue Fund
Revenues:				
Investment income	\$ --	\$ --	\$ --	\$ 36
Intergovernmental programs	--	--	--	--
Total Revenues	--	--	--	36
Expenditures:				
Capital outlay	10,827	--	7,715	--
Total Expenditures	10,827	--	7,715	--
Excess (Deficiency) of Revenues Over (Under) Expendit	(10,827)	--	(7,715)	36
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	(25,354)
Total Other Financing Sources (Uses)	--	--	--	(25,354)
Net Change in Fund Balances	(10,827)	--	(7,715)	(25,318)
Fund Balances - Beginning	(41,341)	(387,369)	(905)	329,124
Fund Balances - Ending	\$ (52,168)	\$ (387,369)	\$ (8,620)	\$ 303,806

Sunnybrook Sewer Ext Fund	Lake Harbour Recon 51 to NP	Centre St. Ridgewood Signal	Pear Orchard Rice Road Signal	Lake Harbour Drive Ext.
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	37,823	294,631	--
--	--	37,823	294,631	--
--	113,523	11,397	234,918	913
--	113,523	11,397	234,918	913
--	(113,523)	26,426	59,713	(913)
54,065	--	--	--	--
--	--	--	--	--
54,065	--	--	--	--
54,065	(113,523)	26,426	59,713	(913)
(54,065)	(5,543,525)	(180,491)	(340,282)	(84,098)
\$ --	\$ (5,657,048)	\$ (154,065)	\$ (280,569)	\$ (85,011)

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CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	2007 Bond Issue Fund	Harbor Crossing TIF	Highland Colony Overlay
Revenues:			
<i>Investment income</i>	\$ --	\$ --	\$ --
<i>Intergovernmental programs</i>	--	--	--
Total Revenues	--	--	--
Expenditures:			
<i>Capital outlay</i>	--	--	--
Total Expenditures	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	--
Other Financing Sources (Uses):			
<i>Transfers in</i>	--	--	25,354
<i>Transfers out</i>	--	--	--
Total Other Financing Sources (Uses)	--	--	25,354
Net Change in Fund Balances	--	--	25,354
Fund Balances - Beginning	5,885,185	(1,030)	(25,354)
Fund Balances - Ending	\$ 5,885,185	\$ (1,030)	\$ --

Culley- Brashear Creek Fund	City Center Fund	Universal DES Playground Fund	Craft Center Parking Lot Fund	5.7 Mil Bond Issue Fund
\$ --	\$ --	\$ --	\$ --	\$ 61,414
--	--	38,000	99,515	--
--	--	38,000	99,515	61,414
14,623	66,186	12,635	4,048	253,733
14,623	66,186	12,635	4,048	253,733
(14,623)	(66,186)	25,365	95,467	(192,319)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(14,623)	(66,186)	25,365	95,467	(192,319)
(43,363)	(4,520,447)	(222)	(170)	5,827,603
\$ (57,986)	\$ (4,586,633)	\$ 25,143	\$ 95,297	\$ 5,635,284

CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Rice Road Trailhead Improvements	W/Oak Ck Dinsmor Swr Ext	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
Investment income	\$ --	\$ --	\$ 61,450
Intergovernmental programs	3,376	--	473,345
Total Revenues	3,376	--	534,795
Expenditures:			
Capital outlay	31,747	--	762,265
Total Expenditures	31,747	--	762,265
Excess (Deficiency) of Revenues Over (Under) Expenditure	(28,371)	--	(227,470)
Other Financing Sources (Uses):			
Transfers in	--	134,571	213,990
Transfers out	--	--	(25,354)
Total Other Financing Sources (Uses)	--	134,571	188,636
Net Change in Fund Balances	(28,371)	134,571	(38,834)
Fund Balances - Beginning	--	(134,571)	684,679
Fund Balances - Ending	\$ (28,371)	\$ --	\$ 645,845

City of Ridgeland
 Longmeadow Drainage Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-13

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	25,000	25,000	10,827	14,173
Total Expenditures	25,000	25,000	10,827	14,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(25,000)	(10,827)	14,173
Net Change in Fund Balances	(25,000)	(25,000)	(10,827)	14,173
Fund Balances - Beginning	-	-	(41,341)	(41,341)
Fund Balances - Ending	\$ (25,000)	(25,000)	(52,168)	(27,168)

City of Ridgeland
 Madison Ridgeland Interchange
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-14

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	-	-	7,715	(7,715)
Total Expenditures	-	-	7,715	(7,715)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(7,715)	(7,715)
Net Change in Fund Balances	-	-	(7,715)	(7,715)
Fund Balances - Beginning	-	-	(905)	(905)
Fund Balances - Ending	\$ -	\$ -	(8,620)	(8,620)

City of Ridgeland
 2004 6 Mil Bond Issue Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-15

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	36	36
Total Revenues	-	-	36	36
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	36	36
Other Financing Sources (Uses):				
Transfers out	-	-	(25,354)	(25,354)
Total Other Financing Sources (Uses)	-	-	(25,354)	(25,354)
Net Change in Fund Balances	-	-	(25,318)	(25,318)
Fund Balances - Beginning	-	-	329,124	329,124
Fund Balances - Ending	\$ -	-	303,806	303,806

City of Ridgeland
 Sunnybrook Sewer Extension
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-16

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	54,065	54,065
Total Other Financing Sources (Uses)	-	-	54,065	54,065
Net Change in Fund Balances	-	-	54,065	54,065
Fund Balances - Beginning	-	-	(54,065)	(54,065)
Fund Balances - Ending	\$ -	-	-	-

City of Ridgeland
 Lake Harbour Recon 51 to NP
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-17

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 10,634,175	10,634,175	-	(10,634,175)
Total Revenues	<u>10,634,175</u>	<u>10,634,175</u>	-	<u>(10,634,175)</u>
Expenditures:				
Capital Outlay	10,999,996	10,999,996	113,523	10,886,473
Total Expenditures	<u>10,999,996</u>	<u>10,999,996</u>	<u>113,523</u>	<u>10,886,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(365,821)</u>	<u>(365,821)</u>	<u>(113,523)</u>	<u>252,298</u>
Other Financing Sources (Uses):				
Sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(365,821)</u>	<u>(365,821)</u>	<u>(113,523)</u>	<u>252,298</u>
Fund Balances - Beginning	-	-	(5,543,525)	(5,543,525)
Fund Balances - Ending	<u>\$ (365,821)</u>	<u>(365,821)</u>	<u>(5,657,048)</u>	<u>(5,291,227)</u>

City of Ridgeland
 Centre Street Ridgewood Signal
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-18

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	\$ 270,000	270,000	37,823	(232,177)
Total Revenues	<u>270,000</u>	<u>270,000</u>	<u>37,823</u>	<u>(232,177)</u>
Expenditures:				
Capital Outlay	159,666	159,666	11,397	148,269
Total Expenditures	<u>159,666</u>	<u>159,666</u>	<u>11,397</u>	<u>148,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>110,334</u>	<u>110,334</u>	<u>26,426</u>	<u>(83,908)</u>
Net Change in Fund Balances	<u>110,334</u>	<u>110,334</u>	<u>26,426</u>	<u>(83,908)</u>
Fund Balances - Beginning	-	-	(180,491)	(180,491)
Fund Balances - Ending	<u>\$ 110,334</u>	<u>110,334</u>	<u>(154,065)</u>	<u>(264,399)</u>

City of Ridgeland
 Pear Orchard Rice Road Signal
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-19

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	\$ 360,000	360,000	294,631	(65,369)
Total Revenues	<u>360,000</u>	<u>360,000</u>	<u>294,631</u>	<u>(65,369)</u>
Expenditures:				
Capital Outlay	542,275	542,275	234,918	307,357
Total Expenditures	<u>542,275</u>	<u>542,275</u>	<u>234,918</u>	<u>307,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(182,275)</u>	<u>(182,275)</u>	<u>59,713</u>	<u>241,988</u>
Net Change in Fund Balances	<u>(182,275)</u>	<u>(182,275)</u>	<u>59,713</u>	<u>241,988</u>
Fund Balances - Beginning	-	-	(340,282)	(340,282)
Fund Balances - Ending	<u>\$ (182,275)</u>	<u>(182,275)</u>	<u>(280,569)</u>	<u>(98,294)</u>

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City of Ridgeland
 Lake Harbor Drive Extension
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-20

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	\$ 451	451	-	(451)
Total Revenues	<u>451</u>	<u>451</u>	<u>-</u>	<u>(451)</u>
Expenditures:				
Capital Outlay	1,567	1,567	913	654
Total Expenditures	<u>1,567</u>	<u>1,567</u>	<u>913</u>	<u>654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,116)</u>	<u>(1,116)</u>	<u>(913)</u>	<u>203</u>
Net Change in Fund Balances	<u>(1,116)</u>	<u>(1,116)</u>	<u>(913)</u>	<u>203</u>
Fund Balances - Beginning	-	-	(84,098)	(84,098)
Fund Balances - Ending	<u>\$ (1,116)</u>	<u>(1,116)</u>	<u>(85,011)</u>	<u>(83,895)</u>

City of Ridgeland
 Highland Colony Overlay Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-21

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	\$ 11,506	11,506	-	(11,506)
Total Revenues	<u>11,506</u>	<u>11,506</u>	-	<u>(11,506)</u>
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,506</u>	<u>11,506</u>	-	<u>(11,506)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	25,354	25,354
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>25,354</u>	<u>25,354</u>
Net Change in Fund Balances	<u>11,506</u>	<u>11,506</u>	<u>25,354</u>	<u>13,848</u>
Fund Balances - Beginning	-	-	(25,354)	(25,354)
Fund Balances - Ending	<u>\$ 11,506</u>	<u>11,506</u>	<u>-</u>	<u>(11,506)</u>

City of Ridgeland
 Culley Brashear Creek Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-22

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	50,000	50,000	14,623	35,377
Total Expenditures	50,000	50,000	14,623	35,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(14,623)	35,377
Net Change in Fund Balances	(50,000)	(50,000)	(14,623)	35,377
Fund Balances - Beginning	-	-	(43,363)	(43,363)
Fund Balances - Ending	\$ (50,000)	(50,000)	(57,986)	(7,986)

City of Ridgeland
 City Center Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-23

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	100,000	110,000	66,186	43,814
Total Expenditures	100,000	110,000	66,186	43,814
 Net Change in Fund Balances	 (100,000)	 (110,000)	 (66,186)	 43,814
 Fund Balances - Beginning	 -	 -	 (4,520,447)	 (4,520,447)
Fund Balances - Ending	\$ (100,000)	(110,000)	(4,586,633)	(4,476,633)

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City of Ridgeland
 Universal DES Playground
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-24

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	-	-	38,000	38,000
Total Revenues	-	-	38,000	38,000
Expenditures:				
Capital Outlay	-	-	12,635	(12,635)
Total Expenditures	-	-	12,635	(12,635)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	25,365	25,365
Net Change in Fund Balances	-	-	25,365	25,365
Fund Balances - Beginning	-	-	(222)	(222)
Fund Balances - Ending	-	-	\$ 25,143	25,143

City of Ridgeland
 Craft Center Parking Lot
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-25

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	-	-	99,515	99,515
Total Revenues	-	-	99,515	99,515
Expenditures:				
Capital Outlay	-	-	4,048	(4,048)
Total Expenditures	-	-	4,048	(4,048)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	95,467	95,467
Net Change in Fund Balances	-	-	95,467	95,467
Fund Balances - Beginning	-	-	(170)	(170)
Fund Balances - Ending	\$ -	\$ -	95,297	95,297

City of Ridgeland
 5.7 Mil Bond Issue Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-26

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	61,414	61,414
Total Revenues	-	-	61,414	61,414
Expenditures:				
Capital outlay	-	-	253,733	(253,733)
Total Expenditures	-	-	253,733	(253,733)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(192,319)	(192,319)
Net Change in Fund Balances	-	-	(192,319)	(192,319)
Fund Balances - Beginning	-	-	5,827,603	5,827,603
Fund Balances - Ending	\$ -	-	5,635,284	5,635,284

City of Ridgeland
 Rice Road Trail Head Improvements
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-27

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental programs	\$ -	-	3,376	3,376
Total Revenues	-	-	3,376	3,376
Expenditures:				
Capital outlay	50,000	50,000	31,747	18,253
Total Expenditures	50,000	50,000	31,747	18,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(28,371)	21,629
Net Change in Fund Balances	(50,000)	(50,000)	(28,371)	21,629
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ (50,000)	(50,000)	(28,371)	21,629

City of Ridgeland
 W/Oak Creek Dinsmor Sewer Extension
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-28

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	134,571	134,571
Total Other Financing Sources (Uses)	-	-	134,571	134,571
Net Change in Fund Balances	-	-	134,571	134,571
Fund Balances - Beginning	-	-	(134,571)	(134,571)
Fund Balances - Ending	\$ -	-	-	-

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ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

The City of Ridgeland, Mississippi operates the following Enterprise Fund:

Public Utility Fund - This fund is used to account for the water and sewer revenue of the municipality, as well as its water related expenses and sewer cost-sharing.

City of Ridgeland
 Public Utility Fund
 Enterprise Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-29

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 5,777,000	5,777,000	6,001,457	224,457
Total Revenues	5,777,000	5,777,000	6,001,457	224,457
Expenses:				
Personal services - salaries and wages	1,033,145	1,008,079	1,002,752	5,327
Personal services - employee benefits	374,488	378,347	371,496	6,851
Purchased professional and technical services	2,084,636	2,352,483	2,322,018	30,465
Supplies	544,500	504,075	495,582	8,493
Capital outlay	6,864,050	6,864,050	-	6,864,050
Depreciation	-	-	1,027,094	(1,027,094)
Total Expenses	10,900,819	11,107,034	5,218,942	5,888,092
Operating Income (Loss)	(5,123,819)	(5,330,034)	782,515	6,112,549
Non-Operating Revenues (Expenses):				
Interest revenue	65,000	65,000	76,919	11,919
Grants and contributions	750,000	750,000	668,480	(81,520)
Gain or Loss on sale of capital assets	-	-	14,568	14,568
Miscellaneous expenses	-	-	(283,285)	(283,285)
Debt service interest	(1,489,846)	(1,489,846)	(666,910)	822,936
Total Non-Operating Revenues (Expenses)	(674,846)	(674,846)	(190,228)	484,618
Net Income (Loss) before Operating Transfers				
Transfers in	3,708,734	3,708,725	3,323,725	(385,000)
Transfers out	(3,242,403)	(3,242,403)	(3,512,361)	(269,958)
Net Income (Loss)	(5,798,665)	(6,004,880)	403,651	6,408,531
Net Assets - Beginning	854,900	649,160	29,844,833	29,195,673
Prior Period Adjustments	-	-	(1,328,718)	(1,328,718)
Net Assets - Restated	854,900	649,160	28,516,115	27,866,955
Net Assets - Ending	\$ (4,943,765)	(5,355,720)	28,919,766	34,275,486

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

The City of Ridgeland, Mississippi operates the following Internal Service Funds.

1. East Madison County Regional Sewer Fund - This fund is used to account for the sewer expenses of the City, plus the interlocal cost-sharing arrangement between the City of Ridgeland, Mississippi, the City of Madison, Mississippi, and the Pearl River Valley Water Authority.
2. Insurance Trust Fund - accounts for the insurance transactions handled by the City for their self insured employee health insurance program.

CITY OF RIDGELAND
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2012

	EMCRS Operations	Insurance Trust Fund	Total Internal Service Funds (See Exhibit A-7)
Assets			
Current Assets:			
Cash and cash equivalents	\$ --	\$ 565,600	\$ 565,600
Interfund Receivables	330,831	--	330,831
Total Current Assets	330,831	565,600	896,431
Non-current Assets:			
Land and construction in progress	15,625	--	15,625
Capital assets (net of accumulated depreciation)	1,745,566	--	1,745,566
Total Non-current Assets	1,761,191	--	1,761,191
Total Assets	2,092,022	565,600	2,657,622
Liabilities			
Current Liabilities:			
Interfund payables	460	--	460
Deferred revenue	38,393	--	38,393
Total Current Liabilities	38,853	--	38,853
Total Liabilities	38,853	--	38,853
Net Assets			
Invested in capital assets, net of related debt	1,761,191	--	1,761,191
Unrestricted	291,978	565,600	857,578
Total Net Assets	\$ 2,053,169	\$ 565,600	\$ 2,618,769

CITY OF RIDGELAND

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	EMCRS Operations	Insurance Trust Fund	Total Internal Service Funds (See Exhibit A-8)
Operating Revenues:			
<i>Charges for services</i>	\$ 1,713,581	\$ --	\$ 1,713,581
<i>Premiums</i>	--	1,506,619	1,506,619
Total Operating Revenues	1,713,581	1,506,619	3,220,200
Operating Expenses:			
<i>Personal services - salaries and wages</i>	44,346	--	44,346
<i>Personal services - employee benefits</i>	15,703	--	15,703
<i>Purchased professional and technical services</i>	1,633,199	1,274,129	2,907,328
<i>Supplies</i>	7,223	--	7,223
<i>Depreciation</i>	97,788	--	97,788
Total Operating Expenses	1,798,259	1,274,129	3,072,388
Operating Income (Loss)	(84,678)	232,490	147,812
Non-Operating Revenues (Expenses):			
<i>Interest revenue</i>	264	1,432	1,696
Total Non-operating Revenues (Expenses)	264	1,432	1,696
Net income	(84,414)	233,922	149,508
Net assets - beginning	2,137,583	331,678	2,469,261
Net assets - ending	\$ 2,053,169	\$ 565,600	\$ 2,618,769

CITY OF RIDGELAND

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	EMCRS Operations	Insurance Trust Fund	Total Internal Service Funds (See Exhibit A-9)
Cash Flows from Operating Activities:			
<i>Cash Received from Customers</i>	\$ 1,713,581	\$ 1,506,619	\$ 3,220,200
<i>Cash Payments to Employees</i>	(60,049)	(1,274,129)	(1,334,178)
<i>Cash Payments to Suppliers for Goods and Services</i>	(7,223)	--	(7,223)
<i>Other Operating Cash Receipts (Payments)</i>	(1,596,313)	--	(1,596,313)
Net Cash Provided (Used) by Operating Activities	49,996	232,490	282,486
Cash Flows from Non-capital Financing Activities:			
<i>Transfers From (To) Other Funds</i>	(34,635)	--	(34,635)
Net Cash Provided (Used) by Non-capital Financing Activities	(34,635)	--	(34,635)
Cash Flows from Capital and Related Financing Activities:			
<i>Acquisition or Construction of Capital Assets</i>	(15,625)	--	(15,625)
Net Cash Provided (Used) for Capital and Related Financing Activities	(15,625)	--	(15,625)
Cash Flows from Investing Activities:			
<i>Interest and Dividends on Investments</i>	264	1,432	1,696
Net Cash Provided (Used) for Investing Activities	264	1,432	1,696
Net Increase (Decrease) in Cash and Cash Equivalents	--	233,922	233,922
Cash and Cash Equivalents at Beginning of Year	--	331,678	331,678
Cash and Cash Equivalents at End of Year	\$ --	\$ 565,600	\$ 565,600
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (84,678)	\$ 232,490	\$ 147,812
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
<i>Depreciation</i>	97,788	--	97,788
Change in Assets and Liabilities:			
<i>Increase (Decrease) in Interfund Payables</i>	(1,507)	--	(1,507)
<i>Increase (Decrease) in Deferred Revenue</i>	38,393	--	38,393
Total Adjustments	134,674	--	134,674
Net Cash Provided (Used) by Operating Activities	\$ 49,996	\$ 232,490	\$ 282,486

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City of Ridgeland
 EMCRS Operations
 Internal Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-33

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ 1,400,000	1,713,581	1,713,581	-
Total Revenues	<u>1,400,000</u>	<u>1,713,581</u>	<u>1,713,581</u>	<u>-</u>
Expenses:				
Personal services - salaries and wages	44,034	44,346	44,346	-
Personal services - employee benefits	15,425	15,750	15,703	47
Purchased professional and technical services	1,263,000	1,562,983	1,633,199	(70,216)
Supplies	10,000	7,564	7,223	341
Depreciation	-	-	97,788	(97,788)
Total Expenses	<u>1,332,459</u>	<u>1,630,643</u>	<u>1,798,259</u>	<u>(167,616)</u>
Operating Income (Loss)	<u>67,541</u>	<u>82,938</u>	<u>(84,678)</u>	<u>(167,616)</u>
Non-Operating Revenues (Expenses):				
Interest revenue	-	227	264	37
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>227</u>	<u>264</u>	<u>37</u>
Net Income (Loss)	<u>67,541</u>	<u>83,165</u>	<u>(84,414)</u>	<u>(167,579)</u>
Net Assets - Beginning	-	15,625	2,137,583	2,121,958
Net Assets - Ending	<u>\$ 67,541</u>	<u>98,790</u>	<u>2,053,169</u>	<u>1,954,379</u>

City of Ridgeland
 Insurance Trust Fund
 Internal Service Funds
 Budgetary Comparison Schedule
 For the year ended September 30, 2012

Exhibit C-34

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Premiums	\$ -	-	1,506,619	1,506,619
Total Revenues	-	-	1,506,619	1,506,619
Expenses:				
Purchased professional and technical services	-	-	1,274,129	(1,274,129)
Total Expenses	-	-	1,274,129	(1,274,129)
Operating Income (Loss)	-	-	232,490	232,490
Non-Operating Revenues (Expenses):				
Interest revenue	-	-	1,432	1,432
Total Non-Operating Revenues (Expenses)	-	-	1,432	1,432
Net Income (Loss)	-	-	233,922	233,922
Net Assets - Beginning	-	-	331,678	331,678
Net Assets - Ending	\$ -	-	565,600	565,600

Schedule D-1

City of Ridgeland, Mississippi

Schedule of Investments - All Funds

September 30, 2012

General Fund

Private Export Funding Corporation	925,483
Government National Mortgage Association	1,485,755
State of Mississippi	191,608
Mississippi Development Bank	75,169
Government secured short term money market funds	414,758
	<u>\$3,092,773</u>

2007 Bond Issue Fund

Federal National Mortgage Association	2,256,700
Government National Mortgage Association	1,795,956
Private Export Funding Corporation	443,644
State of Mississippi	146,216
Mississippi Development Bank	480,467
Panola County MS Tax GO Bonds	307,146
Government secured short term money market funds	553,717
	<u>\$5,983,846</u>

Enterprise Fund

Federal National Mortgage Association	2,006,220
Government National Mortgage Association	1,835,101
State of Mississippi	208,880
Mississippi Development Bank	707,731
Private Export Funding Corporation	443,644
Government secured short term money market funds	781,700
	<u>\$5,983,276</u>

Total of All Investments	<u>\$15,059,895</u>
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City of Ridgeland, Mississippi
 Schedule of Surety Bonds for Municipal Employees
 September 30, 2012

Name	Position	Company	Bond	Name	Position	Company	Bond
Gene F. McGee	Mayor	St. Paul	\$100,000	Brad Carter	Police Officer	St. Paul	\$25,000
Chuck Gautier	Alderman	St. Paul	\$100,000	Kelly Chapin	Police Officer	St. Paul	\$25,000
Wesley Hamlin	Alderman	St. Paul	\$100,000	William Clark	Police Officer	St. Paul	\$25,000
Kenneth Heard, Jr.	Alderman	St. Paul	\$100,000	Heather Conlon	Police Officer	St. Paul	\$25,000
Kevin Holder	Alderman	St. Paul	\$100,000	Jocaby Cowen	Police Officer	St. Paul	\$25,000
Thomas S. Jones	Alderman	St. Paul	\$100,000	Justin Crawford	Police Officer	St. Paul	\$25,000
Brian Ramsey	Alderman	St. Paul	\$100,000	Steve Culberson	Police Officer	St. Paul	\$25,000
DI Smith	Alderman	St. Paul	\$100,000	Ray Daniels	Police Officer	St. Paul	\$25,000
Paula W. Tierce	City Clerk	St. Paul	\$50,000	Gary Davis	Police Officer	St. Paul	\$25,000
Ashley Daniel	Finance Manager	St. Paul	\$50,000	Cassandra Dixon	Police Officer	St. Paul	\$25,000
Bárbara López	Utility Supervisor	St. Paul	\$50,000	Revell Dixon	Police Officer	St. Paul	\$25,000
Vicki Arreola	Utility Clerk	St. Paul	\$50,000	Russell Dukette	Police Officer	St. Paul	\$25,000
Cindy Boatner	Deputy Clerk	St. Paul	\$50,000	Marcus Edwards	Police Officer	St. Paul	\$25,000
Ericka Brown	Deputy Clerk	St. Paul	\$50,000	Greg Fillingame	Police Officer (Reserve)	St. Paul	\$25,000
Ina W. Byrd	Deputy Clerk	St. Paul	\$50,000	Billy Lee Fisher	Police Officer	St. Paul	\$25,000
Michele Cannady	Deputy Clerk	St. Paul	\$50,000	John F. Garcia	Police Officer	St. Paul	\$25,000
Karen Knight	Deputy Clerk	St. Paul	\$50,000	William Grissett Jr.	Police Officer (Reserve)	St. Paul	\$25,000
Courtney Martin	Deputy Clerk	St. Paul	\$50,000	Rodney Hale	Police Officer	St. Paul	\$25,000
Leslie Thomas	Deputy Clerk	St. Paul	\$50,000	Brian Harper	Police Officer	St. Paul	\$25,000
Cathie Reece	Purchasing Clerk	St. Paul	\$50,000	Clayton Hastings	Police Officer	St. Paul	\$25,000
Bridgette Smith	Inspection Manager	St. Paul	\$50,000	Jason Haven	Police Officer	St. Paul	\$25,000
Houston Drane	Custodian	St. Paul	\$50,000	Samuel Howard	Police Officer	St. Paul	\$25,000
Adam Page	Custodian	St. Paul	\$50,000	Marquetta Hughes	Police Officer	St. Paul	\$25,000
Greg Phillips	Evidence Custodian	St. Paul	\$50,000	Jokabi Jenkins	Police Officer	St. Paul	\$25,000
Brian Johnson	Code Enforcement	St. Paul	\$50,000	Nicki Johnson	Police Officer (Reserve)	St. Paul	\$25,000
Tyler Moore	Code Enforcement	St. Paul	\$50,000	Robert Johnson	Police Officer	St. Paul	\$25,000
Steven Smith	Code Enforcement	St. Paul	\$50,000	Ryan D. Jungers	Police Officer	St. Paul	\$25,000
Teenea Colter	Court Clerk	St. Paul	\$50,000	Justin Lancaster	Police Officer	St. Paul	\$25,000
Michelle Apuzzo	Deputy Court Clerk	St. Paul	\$50,000	Alexandria Loveall	Police Officer	St. Paul	\$25,000
Areica Daniels	Records Clerk	St. Paul	\$50,000	Patrick McCoy	Police Officer	St. Paul	\$25,000
Holly Burriss	Records Clerk	St. Paul	\$50,000	Andrew McCollough	Police Officer (Reserve)	St. Paul	\$25,000
Marymeg Fortenberry	Records Clerk	St. Paul	\$50,000	Michael J. McGahey	Police Officer	St. Paul	\$25,000
Tracy McCarley	Records Clerk	St. Paul	\$50,000	Joe McNamee	Police Officer	St. Paul	\$25,000
Chundra Staten	Records Clerk	St. Paul	\$50,000	Victor Mason	Police Officer	St. Paul	\$25,000
Louanna Varnado	Records Clerk	St. Paul	\$50,000	Donald S. Martin	Police Officer	St. Paul	\$25,000
Robert Beard	Booking Officer	St. Paul	\$50,000	Douglas K. Mathis	Police Officer	St. Paul	\$25,000
Patrick Craig	Booking Officer	St. Paul	\$50,000	David Mattox	Police Officer	St. Paul	\$25,000
Paul Griffin	Booking Officer	St. Paul	\$50,000	Andre Minter	Police Officer	St. Paul	\$25,000
Chris Jones	Booking Officer	St. Paul	\$50,000	David Myers	Police Officer	St. Paul	\$25,000
Tony Thompson	Booking Officer	St. Paul	\$50,000	John Neal	Police Officer	St. Paul	\$25,000
Gilda Carter	Executive Secretary	St. Paul	\$50,000	William Ogle	Police Officer	St. Paul	\$25,000
Lynda Assink	Sr. Adult Coord	St. Paul	\$50,000	Leslie Owens	Police Officer	St. Paul	\$25,000
Wendy Bourdin	Special Events	St. Paul	\$50,000	Christopher Peacock	Police Officer	St. Paul	\$25,000
Julie Cox	Program Coord	St. Paul	\$50,000	Mark Penn	Police Officer	St. Paul	\$25,000
John Sidney North	Athletics Coord	St. Paul	\$50,000	Greg Phillips	Police Officer	St. Paul	\$25,000
Jimmy Houston	Police Chief	St. Paul	\$50,000	Ronald Pitts	Police Officer	St. Paul	\$25,000
Randy Tyler	Captain	St. Paul	\$25,000	Richard Raffield	Police Officer (Reserve)	St. Paul	\$25,000
Thomas E. Addison	Police Officer	St. Paul	\$25,000	Adrian Ready	Police Officer	St. Paul	\$25,000
James Ainsworth	Police Officer	St. Paul	\$25,000	Willie Robinson	Police Officer	St. Paul	\$25,000
Mike Bailey	Police Officer (Part Time)	St. Paul	\$25,000	Jason F. Rudd	Police Officer	St. Paul	\$25,000
Brett D. Bertucci	Police Officer	St. Paul	\$25,000	Norman Sipp	Police Officer	St. Paul	\$25,000
John Boyer	Police Officer (Reserve)	St. Paul	\$25,000	Raymond Stevens	Police Officer	St. Paul	\$25,000
Ricky Bracey	Police Officer	St. Paul	\$25,000	Jeff Thames	Police Officer	St. Paul	\$25,000
Hunter Bridges	Police Officer	St. Paul	\$25,000	David Tuura	Police Officer	St. Paul	\$25,000
				Barry Vrana	Police Officer	St. Paul	\$25,000
				Chad Wardlaw	Police Officer	St. Paul	\$25,000
				Stephen T. Webb	Police Officer	St. Paul	\$25,000
				Billy Weems	Police Officer (Reserve)	St. Paul	\$25,000
				Nathan A. Willridge	Police Officer	St. Paul	\$25,000
				Brian Wilson	Police Officer	St. Paul	\$25,000
				Steve Wilson	Police Officer (Reserve)	St. Paul	\$25,000
				Elton Wilkerson	Police Officer	St. Paul	\$25,000
				Matthew Witt	Police Officer	St. Paul	\$25,000
				Elliot Young	Police Officer	St. Paul	\$25,000

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	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance	Current Year Transactions			Balance
					October 1, 2011	Additions	Restatements	Retirements	September 30, 2012
Long-Term Debt									
General Obligation Bonds									
Public Improvement	10-01-97	10-01-12	4.50-4.6%	5,000,000	\$ 915,000	-	-	(445,000)	470,000
Refunding Bonds	03-01-10	09-01-16	3.0-4.5%	4,160,000	3,340,000	-	-	(845,000)	2,495,000
Bond Premium				273,400	185,771	-	-	(45,567)	140,204
Refunding Bonds	07-04-03	09-30-14	2.0-3.0%	2,615,000	785,000	-	-	(250,000)	535,000
Public Improvement	05-01-04	05-01-19	2.0-3.0%	6,000,000	3,635,000	-	(3,240,000)	(395,000)	-
Refunding Bonds	05-01-12	05-01-19	2.000%	3,230,000		3,230,000			3,230,000
Bond Premium				113,662		113,662		(6,765)	106,897
Public Improvement	03-29-05	09-30-17	4.150%	410,000	230,000	-	-	(35,000)	195,000
Public Improvement	08-16-07	09-30-27	4.25-5.25%	10,165,000	8,810,000	-	-	(380,000)	8,430,000
Bond Premium				19,760	15,688	-	-	(988)	14,700
Refunding Bonds	11-04-10	11-01-14	2.0-3.1%	208,739	208,739	-	-	(69,579)	139,160
Bond Premium				9,515	2,928	-	-	(1,722)	1,206
Public Improvement	05-31-11	05-01-26	3-4%	5,825,000	5,825,000	-	-	(290,000)	5,535,000
Bond Premium				61,897	60,521	-	-	(4,126)	56,395
Total General Obligation Bonds					\$ 24,013,647	3,343,662	(3,240,000)	(2,768,747)	21,348,562
Other Long-Term Debt									
Mississippi Development Bank	10-11-06	06-30-26	5.0%	5,072,000	\$ 4,402,300	-	-	(204,000)	4,198,300
Madison County Contract Payable	06-01-91	06-01-14	6.1-6.4%	2,500,000	320,850	-	-	(101,200)	219,650
Harbor Walk HA-49 MDA Note Payable	12-01-09	12-01-16	0.0%	2,295,482	1,721,612	-	-	(286,935)	1,434,677
E911 Equipment Capital Lease	12-01-04	12-01-11	4.41%	1,061,058	171,890	-	-	(171,890)	-
Total Other Long-Term Debt					\$ 6,616,652	-	-	(764,025)	5,852,627
Total Long-Term Debt					\$ 30,630,299	3,343,662	(3,240,000)	(3,532,772)	27,201,189
Enterprise Fund Type									
General Obligation Bonds									
Water & Sewer	08-16-07	09-30-27	4.25-5.25%	9,200,000	\$ 7,970,000	-	-	(345,000)	7,625,000
Bond Premium				17,884	14,198	-	-	(894)	13,304
Refunding Bonds	11-04-10	11-01-23	2.0-3.1%	2,129,367	2,129,367	-	-	(38,731)	2,090,636
Bond Premium				31,625	29,699	-	-	(2,534)	27,165
Refunding Bonds	11-04-10	11-01-21	2.0-3.1%	1,466,894	1,466,894	-	-	(146,690)	1,320,204
Bond Premium				21,786	20,444	-	-	(2,652)	17,792
Total General Obligation Bonds					\$ 11,630,602	-	-	(345,894)	11,094,101
Other Long-Term Debt									
State Revolving Fund (SRF) Loan	04-03-97	01-03-17	4.5%	2,135,283	775,407	-	-	(131,603)	643,804
State Revolving Fund (SRF) Loan	*	*	1.75%	4,685,918	1,879,103	-	-	(81,577)	1,797,526
State Revolving Fund (SRF) Loan	*	*	1.95%	1,750,000	1,709,272	-	-	(76,261)	1,633,011
Madison County Waste Water Authority	04-20-04	06-01-23	1.75%	282,322	-	-	179,554	(13,886)	165,668
Madison County Waste Water Authority	03-31-07	06-10-30	1.75%	404,830	-	-	387,518	(17,618)	369,900
Madison County Waste Water Authority	11-01-10	11-01-25	3.73%	800,000	-	-	762,742	(41,846)	720,896
Madison County Waste Water Authority	02-15-12	10-05-31	1.75%	363,006	-	363,006	-	(6,534)	356,472
Total Other Long-Term Debt					\$ 4,363,782	363,006	1,329,814	(369,325)	5,687,277
Total Enterprise Fund					\$ 15,994,384	363,006	1,329,814	(715,219)	16,781,378

* issue date/maturity date of note begins at end of construction and upon establishment of a 20-year payment period

City of Ridgeland, Mississippi
 Schedule of Expenditure of Federal Awards
 For the Year Ended September 30, 2012

Schedule D-4

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditure
<u>U.S. Department of Transportation</u>			
Passed-through the Mississippi Department of Highway Planning and Construction			
Highway Research and Development Program	20.200	STP-7278-00(002)	\$ 37,823
Highway Planning and Construction	20.205	STP-8323-00(002)	294,631
Total Passed-through the Mississippi Department of Highway Planning and Construction			<u>332,454</u>
Passed-through the Mississippi Department of Public Safety			
Alcohol Impaired Driving Countermeasures Incentives Grants I	20.601		74,861
Total Passed-through the Mississippi Department of Public Safety			<u>74,861</u>
Total U.S. Department of Transportation			<u>407,315</u>
<u>U.S. Environmental Protection Agency/Office of Water</u>			
Passed-through the Mississippi Department of Environmental Quality			
ARRA - Construction Grants for Wastewater Treatment Works	66.458	XP-95416710-2	283,330
Total Passed-through the Mississippi Department of Environmental Quality			<u>283,330</u>
Total U.S. Environmental Protection Agency			<u>283,330</u>
<u>U.S. Office of National Drug Control Policy</u>			
Passed-through the Mississippi Bureau of Narcotics - Gulf Coast HIDTA			
High Intensity Drug Trafficking Area - State and Local Assistance	07.xxx	18PGCP5402	24,554
Total Passed-through the Mississippi Bureau of Narcotics			<u>24,554</u>
Total U.S. Office of National Drug Control Policy			<u>24,554</u>
<u>U.S. Department of Justice</u>			
Direct Program - Drug Enforcement Agency			
DEA State and Local Task Force Overtime Assignment	16.xxx	N/A	14,523
Direct Program - U.S. Marshall's Office			
Equitable Sharing of Federally Forfeited Property	16.xxx	N/A	20,000
Direct Program - Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	N/A	323
Total U.S. Department of Justice			<u>34,846</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through the Mississippi Development Authority			
Community Development Block Grant - State's Programs	14.228	R-110-316-01-GZ	149,831
Community Development Block Grant - Special Purpose Grants	14.225	1120-11-316-PF-01	8,000
Total Passed-through the Mississippi Development Authority			<u>157,831</u>
Total U.S. Department of Housing and Urban Development			<u>157,831</u>
			<u>\$ 907,876</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting
- The City of Ridgeland received federal assistance in the form of a loan through the MS Department of Environmental Quality. The balance of this loan at September 30, 2012 was \$643,804 as reported on Schedule D-3 of the City of Ridgeland's audit report for the year ended September 30, 2012 under SRF loan payable.
- The City of Ridgeland received federal assistance in the form of a loan through the MS Department of Health. The balance of this loan at September 30, 2012 was \$1,633,011 as reported on Schedule D-3 of the City of Ridgeland's audit report for the year ended September 30, 2012 under SRF Loan payable.

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STATISTICAL SECTION

Financial Trends

Table 1	General Governmental Expenditures by Function
Table 2	General Revenues by Source
Table 3	Fund Balance and Net Assets Information
Table 4	Schedule of Changes in Net Assets
Table 5	Schedule of Changes in Fund Balance

Revenue Capacity

Table 6	Property Tax Levies and Collections
Table 7	Assessed and Actual Value of Property
Table 8	Property Tax Rates - Direct and Overlapping Governments
Table 9	Principal Taxpayers
Table 10	Special Assessment Billings and Collections

Debt Capacity

Table 11	Computation of Direct and Overlapping Bonded Debt
Table 12	Ratios of Outstanding Debt by Type
Table 13	Legal Debt Margin Information
Table 14	Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita
Table 15	Ratio of Annual Debt Service Expenditures for G.O. Bonded Debt to Total Governmental Expenditures

Demographic and Economic Information

Table 16	Construction Activity
Table 17	Property Value and Construction
Table 18	Demographic and Economic Statistics
Table 19	Education Related Information
Table 20	Principal Employers
Table 21	Full-time Equivalent Government Employees by Function
Table 22	Operating Indicators by Function
Table 23	Capital Assets Indicators by Function
Table 24	Miscellaneous Statistics

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City of Ridgeland
Table 1
General Governmental Expenditures by Function
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Public Works	Sanitation	Health and Welfare	Culture and Recreation	Economic Development	Capital Outlay	Debt Service	Total
2003	1,883	7,594	2,683	662	33	1,502	18	-	3,104	17,479
2004	2,312	8,005	3,507	747	44	1,663	44	-	2,890	19,212
2005	2,229	8,056	2,843	724	45	1,687	3	6,023	4,255	25,865
2006	2,343	9,084	3,542	890	45	1,806	4	13,883	3,509	35,106
2007	2,465	10,488	2,841	896	56	1,959	313	5,698	3,732	28,448
2008	2,560	11,064	3,998	944	50	2,302	112	7,261	4,939	33,230
2009	2,148	10,442	3,482	858	54	2,061	82	4,271	4,603	28,001
2010	2,558	11,074	3,411	1,043	29	2,112	70	3,962	4,133	28,392
2011	2,624	11,296	4,047	1,068	45	2,108	53	5,674	6,502	33,417
2012	2,553	10,707	3,554	1,190	39	2,090	38	1,231	8,154	29,556

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City of Ridgeland
Table 2
General Revenues by Source
Last 10 Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Inter-Governmental Revenue</u>	<u>Charges for Services</u>	<u>Fines</u>	<u>Special Assessments</u>	<u>Interest Earned</u>	<u>Misc.</u>	<u>Total</u>
2003	5,220	1,059	9,826	1,120	805	52	278	166	18,526
2004	5,884	1,135	11,565	1,328	785	32	427	168	21,324
2005	6,362	1,137	9,936	1,322	755	-	379	102	19,993
2006	6,795	1,596	17,072	1,343	1,012	129	539	321	28,807
2007	17,598	1,420	4,175	1,588	1,125	36	1,108	912	27,963
2008	18,164	1,736	5,561	1,532	1,050	202	971	523	29,739
2009	18,522	1,478	1,858	1,562	1,290	8	581	212	25,511
2010	18,001	1,314	1,251	2,157	2,075	21	998	180	25,997
2011	20,255	1,440	1,551	1,780	1,442	74	286	130	26,958
2012	20,584	1,416	2,702	1,797	1,316	44	361	193	28,413

City of Ridgeland
Table 3
Fund Balance and Net Assets Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Funds Fund Balances										
General Fund										
Reserved	\$1,458	\$1,462	\$1,871	\$2,483	\$1,454	\$1,340	\$1,397	\$514		
Unreserved	7,767	7,461	8,142	9,496	11,302	11,375	11,319	12,448		
Nonspendable									57	56
Restricted									455	330
Assigned									46	46
Unassigned									12,749	12,937
Total General Fund	9,225	8,923	10,013	11,979	12,756	12,715	12,716	12,962	13,307	13,369
All Other Governmental Funds										
Reserved	\$922	\$939	\$717	\$0	\$0	\$0	\$0	\$525		
Unreserved, reported in:										
Special Revenue Funds	-	-	491	434	358	270	-	449		
Capital Projects Funds	1,045	5,195	1,274	467	8,727	5,590	3,025	291		
Debt Service Funds	(175)	714	808	1,353	2,140	1,963	2,343	1,634		
Nonspendable									529	1,351
Restricted									1,397	11,945
Assigned									96	96
Total All Other Governmental Funds	\$1,792	\$6,848	\$3,290	\$2,254	\$11,225	\$7,823	\$5,368	\$2,899	2,022	13,392
Government-Wide Funds Net Assets										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$138,989	\$150,342	\$154,560	\$164,732	\$160,918	\$157,935	\$174,407	\$180,216	\$176,163	\$177,753
Restricted	2,430	7,287	3,725	15,208	12,275	18,776	16,628	1,801	923	1,068
Unrestricted	7,865	7,718	8,620	(1,437)	11,710	12,324	2,266	4,729	8,097	7,283
Total Governmental Activities	\$149,284	\$165,347	\$166,905	\$178,503	\$184,903	\$189,035	\$193,301	\$186,746	\$185,183	\$186,104
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$9,963	\$12,587	\$13,799	\$12,138	\$4,481	\$7,869	\$12,294	\$13,540	\$17,548	\$17,955
Restricted		-	3,869	2,197	2,865	1,777	1,898	2,653	4,808	1,532
Unrestricted	6,668	6,550	2,494	4,567	13,059	12,116	9,561	9,957	7,489	9,487
Total Business-Type Activities	\$16,631	\$19,137	\$20,162	\$18,902	\$20,405	\$21,762	\$23,753	\$26,150	\$29,845	\$28,974
Total Primary Government:										
Invested in Capital Assets, Net of Related Debt	\$148,952	\$162,929	\$168,359	\$176,870	\$165,399	\$165,804	\$186,701	\$193,756	\$193,711	\$195,708
Restricted	2,430	7,287	7,594	17,405	15,140	20,553	18,526	4,454	5,731	2,600
Unrestricted	14,533	14,268	11,114	3,130	24,769	24,440	11,827	14,686	15,586	16,770
Total Primary Government	\$165,915	\$184,484	\$187,067	\$197,405	\$205,308	\$210,797	\$217,054	\$212,896	\$215,028	\$215,078

*Fund Balance information with respect to these categories for years 2003-2010 is unavailable before GASB 54 implementation

Schedule of Changes in Net Assets, Last Ten Fiscal Years
 Table 4
 City of Ridgeland
 (accrual basis of accounting)

Expenses	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities	\$1,935,383	\$1,937,776	\$2,887,901	\$2,187,137	\$2,692,248	\$3,092,277	\$3,028,618	\$3,199,279	\$4,251,154	\$3,228,505
Public safety	7,884,336	7,918,447	8,887,219	8,887,219	9,179,522	11,008,221	11,897,508	11,659,112	12,087,140	12,814,753
Public services	152,114	136,046	181,700	581,085	111,835	140,888	137,110	241,292	222,472	235,415
Culture and recreation	634,587	780,247	792,853	802,343	874,048	846,801	950,768	988,114	1,024,248	1,046,418
Sanitation	221,890	276,504	230,127	309,838	264,542	343,741	322,090	305,115	339,480	337,168
Operating grants and contributions	90,932	438,915	141,989	601,744	783,887	1,002,075	265,170	197,840	325,835	167,048
Capital grants and contributions	517,022	177,238	2,266,935	4,207,603	2,720,673	3,305,020	221,610	340,748	227,263	439,969
Total governmental activities program revenues	3,048,635	4,070,417	5,911,867	10,191,010	7,646,466	9,395,198	6,761,168	6,653,986	5,874,961	5,761,866
Business-type activities	-	-	-	-	-	-	-	-	-	-
Charges for services	3,447,116	3,886,750	3,880,558	4,017,816	5,125,787	5,205,288	6,236,767	7,401,908	6,284,449	5,651,266
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,447,116	3,886,750	3,880,558	4,017,816	5,125,787	5,205,288	6,236,767	7,401,908	6,284,449	5,651,266
Total governmental program revenues	\$6,495,751	\$7,957,167	\$9,792,425	\$14,209,826	\$12,772,253	\$14,600,486	\$12,997,935	\$14,055,894	\$12,159,410	\$12,081,991
Net (Expense)/Revenue	(\$14,103,939)	(\$12,190,961)	(\$11,545,577)	(\$17,013,709)	(\$19,728,050)	(\$19,701,290)	(\$19,605,509)	(\$19,409,421)	(\$25,008,881)	(\$25,008,881)
Business-type activities	981,588	(24,702)	179,607	128,539	525,821	355,921	139,263	2,171,324	968,060	205,907
Total primary government net expense	(\$13,122,351)	(\$12,215,663)	(\$11,365,970)	(\$16,885,170)	(\$19,202,229)	(\$19,345,369)	(\$19,466,246)	(\$17,238,102)	(\$24,042,874)	(\$24,802,874)
General Revenues and Other Changes in Net Assets										
Governmental Activities	\$0	\$0	\$0	\$10,996,863	\$10,618,743	\$10,080,261	\$11,074,804	\$11,281,550	\$10,193,709	\$10,360,517
Taxes	5,297,426	7,570,657	6,362,605	6,297,064	7,003,460	7,382,845	7,474,340	6,745,223	10,088,629	10,254,456
Sales taxes	8,237,789	8,238,548	-	-	-	-	-	-	-	-
Other taxes	2,473,735	660,443	394,420	557,388	1,115,955	994,135	1,221,927	554,151	586,276	613,215
Miscellaneous	404,433	2,523,246	2,284,206	2,718,745	3,930,617	3,586,289	2,027,489	1,999,810	1,605,181	4,282,234
Transfers	5,126	-	-	2,073,279	-	-	-	(30,172)	-	-
Total governmental activities	17,115,318	20,077,314	19,057,166	23,143,136	23,658,941	23,860,637	22,431,016	21,551,107	22,769,912	25,873,028
Business-type activities	-	-	-	-	-	-	-	-	-	-
Miscellaneous	141,831	518,176	-	93,381	382,856	568,053	569,710	242,779	167,933	76,918
Other	-	-	-	-	-	-	-	-	-	-
Transfers	(3,126)	-	-	(2,073,279)	-	-	-	30,172	-	-
Total business-type activities	136,705	518,176	645,737	591,161	594,847	433,131	344,977	6,774	247,202	364,761
Total primary government	\$17,252,053	\$20,608,951	\$19,702,903	\$22,754,399	\$24,653,644	\$24,861,821	\$23,349,223	\$21,830,432	\$23,163,547	\$26,314,707
Change in Net Assets	\$3,009,409	\$7,886,233	\$1,558,050	\$11,597,559	\$6,645,232	\$4,132,587	\$2,729,736	\$1,945,698	(\$1,548,509)	\$804,147
Governmental activities	1,188,293	506,935	1,025,344	11,626,178	1,303,524	1,357,105	1,057,470	2,450,649	1,370,695	647,676
Business-type activities	\$1,821,116	\$7,379,298	\$532,706	\$9,971,381	\$5,341,708	\$2,775,482	\$1,672,266	\$975,049	(\$1,918,114)	\$156,471

City of Ridgeland
Table 5
Schedule of Changes in Fund Balance
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$5,220,776	\$5,884,239	\$6,361,741	\$16,548,618	\$17,597,461	\$18,163,079	\$18,521,344	\$18,000,158	\$20,254,632	\$20,583,604
Licenses, fees, and permits	1,059,110	1,134,898	1,133,703	1,595,894	1,419,992	1,736,442	1,478,294	1,314,188	1,440,059	1,416,337
Fines and forfeitures	805,442	784,682	754,570	1,012,773	1,125,277	1,050,361	1,290,122	2,075,104	1,442,348	1,316,046
Chages for services	1,120,398	1,328,572	1,322,429	1,342,712	1,588,059	1,531,827	1,561,891	2,156,958	1,779,770	1,796,869
Special assessments	73,116	32,282	53,388	435,579	35,772	201,538	8,153	21,414	73,979	43,919
Investment income	278,697	426,660	553,728	537,435	1,107,856	971,255	580,684	997,867	285,530	360,911
Intergovernmental programs	9,826,138	11,565,534	12,193,042	6,792,695	4,175,971	5,561,136	1,858,438	1,251,199	1,551,487	2,701,903
Other revenue	145,765	167,583	101,616	315,514	912,479	523,324	211,902	180,270	130,579	193,389
Total Revenues	18,529,442	21,324,450	22,474,217	28,581,220	27,962,867	29,738,962	25,510,828	25,997,158	26,958,384	28,412,978
Expenditures										
General government	1,883,661	2,311,866	2,228,869	2,343,482	2,464,696	2,560,375	2,147,977	2,558,083	2,623,517	2,553,166
Public safety	7,594,995	8,004,592	8,055,667	9,083,830	10,488,241	11,063,579	10,441,797	11,074,286	11,296,516	10,707,423
Public services	2,683,209	3,507,287	2,842,723	3,542,019	2,841,097	3,998,179	3,482,375	3,411,014	4,047,142	3,554,013
Sanitation	662,028	747,241	724,460	890,237	895,962	943,901	858,470	1,043,360	1,068,017	1,190,088
Health and welfare	33,788	44,019	44,667	44,985	56,246	49,924	54,321	29,100	44,670	38,579
Culture and recreation	1,502,780	1,662,769	1,686,842	1,806,388	1,958,916	2,302,299	2,060,526	2,112,189	2,107,795	2,089,909
Economic development and assistance	18,057	44,249	3,019	3,996	313,204	112,247	81,879	69,405	53,000	37,500
Capital outlay	4,345,113	5,513,478	6,023,097	13,882,983	5,698,483	7,260,505	4,271,089	3,961,516	5,673,622	1,230,608
Debt service:										
Interest and fiscal charges	866,409	981,888	1,048,333	1,147,074	1,245,800	2,032,224	1,384,288	1,314,800	3,290,588	4,942,300
Principal	2,238,209	1,907,758	3,207,507	2,361,547	2,485,218	2,907,056	3,218,456	2,818,147	3,212,087	3,212,087
Total Expenditures	21,828,249	24,725,147	25,865,184	35,106,541	28,447,863	33,230,289	28,001,178	28,391,900	33,416,954	29,555,673
Excess of revenues over/ (under) expenditures	(3,298,807)	(3,400,697)	(3,390,967)	(6,525,321)	(484,996)	(3,491,327)	(2,490,350)	(2,394,742)	(6,458,570)	(1,142,695)
Other Financing Sources (Uses)										
Issuance of bonds/ loan proceeds	40,000	6,000,000	900,524	2,094,070	10,184,760	0	0	4,160,000	5,886,897	3,158,638
Payment to refunded debt escrow agent	0	0	0	0	0	0	0	(4,350,000)	0	113,662
Premium on bonds	0	0	0	0	0	0	0	273,400	0	(3,240,000)
Sale of assets	18,509	1,508	22,164	800	48,226	48,584	36,360	211,805	37,744	45,217
Transfers from other funds	2,406,400	805,266	0	5,360,000	4,930,752	1,354,988	1,173,125	10,983,890	1,118,535	1,397,362
Transfers to other funds	(2,406,400)	(688,434)	0	0	(4,930,752)	(1,354,988)	(1,173,125)	(11,014,062)	(1,118,535)	(1,208,726)
Other	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	58,509	6,118,340	922,688	7,454,870	10,232,986	48,584	36,360	265,033	5,924,641	266,153
Net change in fund balances	(\$3,240,298)	\$2,717,643	(\$2,468,279)	\$929,549	\$9,747,990	(\$3,442,743)	(\$2,453,990)	(\$2,129,709)	(\$533,929)	(\$876,542)
Debt service as a percentage of noncapital expenditures	20.20%	21.12%	19.53%	14.70%	17.21%	19.07%	20.14%	17.72%	24.34%	29.52%

City of Ridgeland
Table 6
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>% Current Collected</u>	<u>Delinquent Collections</u>	<u>Total Tax Collections</u>	<u>Ratio Total Collected to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio Delinquent to Total Levy</u>
2003	4,267	4,252	99.6%	15	4,267	100.0%	15	0.35%
2004	5,531	5,512	99.7%	19	5,531	100.0%	19	0.34%
2005	6,060	6,052	99.9%	8	6,060	100.0%	8	0.13%
2006	6,386	6,372	99.8%	14	6,386	100.0%	14	0.22%
2007	7,196	7,182	99.8%	14	7,196	100.0%	14	0.19%
2008	7,573	7,356	97.1%	217	7,573	100.0%	217	2.87%
2009	7,017	6,869	97.9%	148	7,017	100.0%	148	2.11%
2010	7,454	7,268	97.5%	186	7,454	100.0%	186	2.50%
2011	7,977	7,822	98.1%	155	7,977	100.0%	155	1.94%
2012	7,862	7,667	97.5%	195	7,862	100.0%	195	2.48%

(1) Levy is established October 1 of year in which taxes are collected.

Source: Madison County Tax Collector office

City of Ridgeland
Table 7
Assessed and Actual Value of Property (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		UTILITIES		VEHICLES		TOTALS		% Assessed Increase (Decrease)
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
2003	131,428	960,731	32,906	219,373	6,891	45,940	45,873	152,910	217,098	1,378,954	8.4%
2004	192,427	1,406,630	35,467	236,447	6,974	46,493	55,165	183,883	290,033	1,873,453	33.6% (2)
2005	211,003	1,542,420	36,737	244,913	7,653	51,020	52,112	173,707	307,505	2,012,060	6.0%
2006	222,638	1,627,471	39,025	260,167	8,020	53,467	54,359	181,197	324,042	2,122,301	5.4%
2007	244,475	1,787,098	58,038	386,920	5,612	37,413	56,359	187,863	364,484	2,399,295	12.5% (3)
2008	255,521	1,867,844	63,575	423,833	6,515	43,433	57,710	192,367	383,322	2,527,477	5.2%
2009	270,611	1,978,151	53,656	357,707	6,490	43,267	56,210	187,367	386,967	2,566,491	1.0%
2010	294,179	2,150,431	60,092	400,613	6,645	44,300	51,891	172,970	412,807	2,768,315	6.7%
2011	311,607	2,277,829	65,939	439,593	5,218	34,787	49,283	164,277	432,047	2,916,486	4.7%
2012	315,729	2,307,961	51,047	340,313	5,613	37,420	48,298	160,993	420,687	2,846,687	-2.6%

(1) Assessment rates are as follows:

Real Property - Assessed at 10% of actual value for homeowner-occupied, 15% for all others.

Personal Property - Assessed at 15% of actual value.

Utilities - Assessed at 15% of actual value.

Vehicles - Assessed at 30% of actual value.

Above schedule uses estimated combined assessment ratio of 13.68% for real property.

(2) Large increase due in part to a reassessment.

(3) Large increase due in part to area annexed going on the tax rolls.

(4) The weighted average of all individual direct rates is 14.9%.

Source: Madison County Tax Assessor

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City of Ridgeland
Table 8
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Ridgeland			Madison County			School District			Grand Total Millage
	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	
2003	7.03	13.00	20.03	30.34	3.46	33.80	41.07	12.48	53.55	107.38
2004	9.02	11.01	20.03	30.72	3.08	33.80	41.07	12.48	53.55	107.38
2005	10.01	10.02	20.03	30.72	3.08	33.80	41.07	12.48	53.55	107.38
2006	10.01	10.02	20.03	29.92	2.38	32.30	41.07	13.48	54.55	106.88
2007	10.01	10.02	20.03	29.23	3.07	32.30	41.07	13.48	54.55	106.88
2008	10.01	10.02	20.03	28.96	3.34	32.30	42.05	12.50	54.55	106.88
2009	10.01	10.02	20.03	32.27	3.36	35.63	42.05	12.50	54.55	110.21
2010	10.01	10.02	20.03	32.40	3.23	35.63	41.65	12.90	54.55	110.21
2011	10.01	10.02	20.03	32.36	3.27	35.63	40.99	13.56	54.55	110.21
2012	10.01	10.02	20.03	32.36	3.27	35.63	41.57	12.98	54.55	110.21

Source: Madison County Tax Assessor's office

City of Ridgeland
Table 9
Principal Taxpayers
 Current and Nine Years Ago
 (amounts expressed in thousands)

Taxpayer	2012				2003			
	Type of Business	Assessed Valuation	Rank	% of Total Assessed Valuation	Type of Business	Assessed Valuation	Rank	% of Total Assessed Valuation
Renaissance at Colony Park, LLC	Lifestyle Center	\$ 8,915	1	2.33%				
Northpark Mall LP	Shopping Mall	7,765	2	2.03%				
200 Renaissance, LLC	Office Building	7,522	3	1.97%				
300 Renaissance, LLC	Office Building	4,771	4	1.25%				
Trace Apartments, LP	Apartments	2,976	5	0.78%				
Legacy Park Apartments, LLC	Apartments	2,790	6	0.73%				
Natchez Trace - BH, LLC	Apartments	2,657	7	0.69%				
Southern Farm Bureau Casualty Insurance	Insurance	2,628	8	0.69%		1,907	3	1.11%
Sunchase of Ridgeland, Ltd.	Apartments	2,587	9	0.68%		1,412	4	0.82%
Mid-America Capital Partners, LP	Apartments	2,567	10	0.67%				
CF Northpark LP					Shopping Mall	4,756	1	2.78%
McRaes Stores Partnership					Department Store	2,743	2	1.60%
TM Van Mark Partners, LP					Apartments	1,255	5	0.73%
Ridgeland Construction One, LLC					Insurance	1,150	6	0.67%
Colonial Realty, LP					Apartments	853	7	0.50%
Pointe Apartments, LP					Apartments	759	8	0.44%
Diversified Technology, Inc.					Technology	667	9	0.39%
The Orchard, LTD					Apartments	500	10	0.29%
Total taxable assessed value of 10 largest taxpayers		45,178		11.80%		\$16,002		9.35%
Total taxable assessed value of other taxpayers		<u>337,586</u>		88.20%		<u>155,223</u>		90.65%
Total taxable assessed value of all taxpayers		<u>\$382,764</u>		100.00%		<u>\$171,225</u>		100.00%

Source: Madison County Tax Assessor's Office

City of Ridgeland
Table 10
Special Assessment Billings and Collections
 Last Ten Fiscal Years

Fiscal Year	Beginning Balance	Current Billing	Current Collection (1)	Ratio of Collection to Amount Due	Assessments	Total Outstanding Assessments
2003	781,103	77,045	75,906	99%		705,197
2004	705,197	53,254	52,467	99%		652,730
2005	652,730	59,240	56,419	95%	156,620	752,931
2006	752,931	32,605	32,282	99%	420,000	1,140,649
2007	1,140,649	439,935	435,579	99%	440,552	1,145,622
2008	1,145,622	134,151	138,872	104%		1,006,750
2008	1,110,562	143,093	132,126	92%		978,436
2009	978,436	131,237	73,979	56%		904,457
2010	904,457	120,977	120,977	100%		783,480
2011	783,480	120,977	167,974	139%		615,506
2012	615,506	120,977	165,975	137%		449,531

(1) Includes prepayments

Source: City of Ridgeland

City of Ridgeland
Table 11
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds (1)
Current and Nine Years Ago
(amounts expressed in thousands)

Fiscal Year	Jurisdiction	(2) Net General Obligation Bonded Debt Outstanding	(3) Percentage Applicable to Ridgeland	Amount Applicable to Ridgeland
Direct:				
2012	City of Ridgeland	\$23,749	100.00%	\$23,749
Overlapping:				
2012	Madison County		37.40%	0
2012	Madison County Schools		37.40%	0
Total Overlapping		<u>0</u>		<u>0</u>
Total Direct & Overlapping		<u>\$23,749</u>		<u>\$23,749</u>
Direct:				
2003	City of Ridgeland	\$18,494	100.00%	\$18,494
Overlapping:				
2003	Madison County	36,036	37.40%	13,477
2003	Madison County Schools	70,135	37.40%	26,230
Total Overlapping		<u>106,171</u>		<u>39,708</u>
Total Direct & Overlapping		<u>\$124,665</u>		<u>\$58,202</u>

(1) Excludes general obligation bonds reported in the enterprise funds.

(2) Total bonded G.O. debt less amount in debt service funds for retirement of bonds.

(3) The percentage used is based on population.

Source: Madison County School District, Madison County

City of Ridgeland
Table 12
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Revenue Bonds	Other Debt	General Obligation Bonds	State Revolving Fund Loan	MS. Dev. Bank Line of Credit	Other			
2003	18,494	0	1,144	332	1,391	1,133	0	0	22,494	3.88%	1,115
2004	22,783	0	1,760	677	1,077	1,548	0	0	27,845	4.81%	1,380
2005	20,931	0	1,385	598	759	1,452	0	0	25,125	4.06%	1,164
2006	18,839	5,360	1,193	519	576	1,352	1,970	0	29,809	4.89%	1,404
2007	27,287	5,259	1,037	439	9,421	1,246	1,832	0	46,521	6.60%	2,156
2008	24,880	4,897	864	360	9,035	1,136	1,747	0	42,919	4.93%	1,838
2009	22,368	4,512	507	281	8,631	2,390	1,609	0	40,298	4.45%	1,764
2010	19,985	0	415	7,143	8,300	5,081	3,528	0	44,452	5.50%	2,048
2011	23,749	0	321	6,296	11,566	4,364	0	0	46,296	5.33%	1,925
2012	21,085	0	220	5,633	10,980	4,074	0	1,613	43,605	4.93%	1,729

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See Table 18 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Ridgeland
Table 13
Legal Debt Margin Information
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value of Property	\$217,098	\$290,033	\$307,505	\$324,042	\$364,484	\$383,322	\$386,967	\$412,807	\$432,047	\$420,687
Debt Limit, 15% of Assessed Valuation	32,565	43,505	46,126	48,606	54,673	57,498	58,045	61,921	64,807	63,103
Amount of Debt Applicable to Limit:										
General Long-Term Debt	18,494	22,783	20,931	18,839	27,287	24,880	22,368	19,985	23,749	21,085
G.O. Public Utility Bonds	1,390	1,077	759	576	9,421	9,035	8,631	8,300	11,566	10,980
Total Bonded Debt (a)	19,884	23,860	21,690	19,415	36,708	33,915	30,999	28,285	35,315	32,065
Less:										
Special Assessment Bonds	120	0	410	385	355	325	295	265	230	220
G. O. Public Utility Bonds	1,390	1,077	759	576	9,421	9,035	8,631	8,300	11,566	10,980
Total Excluded (b)	1,510	1,077	1,169	961	9,776	9,360	8,926	8,565	11,796	11,200
Total Net Debt Applicable to Limit (a)-(b)	18,374	22,783	20,521	18,454	26,932	24,555	22,073	19,720	23,519	20,865
Legal Debt Margin	<u>\$14,191</u>	<u>\$20,722</u>	<u>\$25,605</u>	<u>\$30,152</u>	<u>\$27,741</u>	<u>\$32,943</u>	<u>\$35,972</u>	<u>\$42,201</u>	<u>\$41,288</u>	<u>\$42,238</u>
Total Net Debt Applicable to the Limit as a percentage of debt limit	56.42%	52.37%	44.49%	37.97%	49.26%	42.71%	38.03%	31.85%	36.29%	33.06%

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City of Ridgeland
Table 14
Ratio of Net General Obligation Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita
 Last Ten Fiscal Years
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Per Capita (4)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2003	21.2	217,098	18,374	1,360	17,014	803	7.84%
2004	21.2	290,033	22,783	1,653	21,130	997	7.29%
2005	21.6	307,505	20,931	1,525	19,406	898	6.31%
2006	21.2	324,042	18,839	1,586	17,253	814	5.32%
2007	21.6	364,484	27,287	2,486	24,801	1,148	6.80%
2008	23.3	383,322	24,880	2,194	22,686	974	5.92%
2009	22.8	386,967	22,368	2,564	19,804	867	5.12%
2010	21.7	412,807	19,985	1,738	18,247	841	4.42%
2011	24.0	432,047	23,749	1,169	22,580	939	5.23%
2012	0.0	420,687	21,085	275	22,580	939	5.23%

(1) Bureau of the Census established 1990 and 2000 populations.

Interim figures are based on estimates by the Planning District and residential construction permits.

(2) From Table 7.

(3) General obligation bonds reported in the Enterprise Fund and Special Assessment debt have been excluded.

(4) Expressed in actual dollars.

City of Ridgeland
Table 15
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total Governmental Expenditures (1)
 Last Ten Fiscal Years
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2003	2,237	865	3,102	17,479	17.75%
2004	1,908	982	2,890	19,212	15.04%
2005	2,471	958	3,429	25,865	13.26%
2006	2,280	1,102	3,382	35,106	9.63%
2007	2,110	592	2,702	28,448	9.50%
2008	2,907	2,012	4,919	33,230	14.80%
2009	3,218	1,384	4,602	28,001	16.44%
2010	2,218	935	3,153	28,392	11.11%
2011	3,212	3,194	6,406	33,417	19.17%
2012	3,212	4,817	8,029	29,556	27.17%

(1) Includes Special Assessment Bonds. General Obligation bonds reported in the Enterprise Fund have been excluded.

City of Ridgeland
Table 16
Construction Activity (1)
Ten-Year Period Ending December 31, 2012
(amounts expressed in actual dollars)

Calendar Year	Non-Residential		Residential				Alterations	Total Value	% Change
	Number of Permits	Value	Number of Permits	Increase In Family Units	Value				
2003	63	27,461,788	96	112	28,875,656	12,817,814	69,155,258	1.9%	
2004	62	20,143,199	151	151	41,994,282	6,192,256	68,329,737	-1.2%	
2005	55	44,753,875	103	103	23,294,630	7,701,985	75,750,490	10.9%	
2006	43	44,718,856	96	96	24,355,270	9,189,065	78,263,191	3.3%	
2007	82	113,835,355	64	85	23,161,129	13,705,514	150,701,998	92.6%	
2008	52	98,851,015	51	51	25,949,725	34,013,832	158,814,572	5.4%	
2009	23	8,346,951	92	15	10,004,903	24,531,298	42,883,152	-73.0%	
2010	121	35,232,777	98	22	9,708,872	3,194,853	48,136,502	12.3%	
2011	123	32,456,381	132	24	11,875,900	1,976,448	46,308,729	-3.8%	
2012	104	17,876,323	196	35	18,368,500	2,706,690	38,951,513	-15.9%	

(1) Source: City of Ridgeland Building Permit Section

City of Ridgeland
Table 17
Property Value and Construction
 Last Ten Calendar Years
 (amounts expressed in thousands)

Fiscal Year	Real Property Value (2)	Non-Residential Construction (1)		Residential Construction (1)		Additions/Alterations (1)	
		Number of Units	Value	Number of Units	Value	Number of Units	Value
2003	960,731	63	27,462	112	28,876	172	12,818
2004	1,406,630	62	20,143	151	41,994	160	6,192
2005	1,542,420	55	44,754	103	23,295	158	7,702
2006	1,627,471	43	44,719	96	24,355	158	9,189
2007	1,787,098	82	113,835	85	23,161	209	13,706
2008	1,867,844	52	98,851	51	25,950	*	34,014
2009	1,978,151	23	8,347	15	10,005	93	24,531
2010	2,150,431	121	35,233	22	9,709	76	3,195
2011	2,277,829	123	32,456	24	11,876	108	1,976
2012	2,307,961	104	17,876	35	18,369	161	2,707

(1) From Table 16

(2) Total estimated actual value from Table 7

Source: City of Ridgeland

* 2008 information was not available at the time this report was prepared

City of Ridgeland
Table 18
Demographic and Economic Statistics
 Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>County School Enrollment</u>	<u>Unemployment Rate</u>
2003	20,173	579,046	28,704	31.9	9,917	3.1%
2004	20,173	579,046	28,704	31.9	10,249	4.3%
2005	21,577	619,346	28,704	31.9	10,697	3.2%
2006	21,237	609,587	28,704	31.9	10,658	4.7%
2007	21,577	705,028	32,675	33.9	10,777	4.5%
2008	23,347	871,170	37,314	33.5	10,896	5.8%
2009	22,849	904,957	39,606	32.0	11,487	6.3%
2010	21,708	807,538	37,200	34.4	11,575	5.7%
2011	24,047	869,299	36,150	34.4	12,159	7.6%
2012	25,226	885,256	35,093	34.4	11,811	6.5%

Source: U. S. Census Bureau
 Mississippi Development Authority
 Economic and Community Development Section
 U. S. Labor Bureau Statistics

City of Ridgeland
Table 19
Education Related Information
 Last 10 Fiscal Years

Fiscal Year	Elementary Schools	Middle Schools	High Schools	Vocational Schools	Junior College	Total County Enrollment
2003	2	1	1	0	1	10,697
2004	2	1	1	1	1	10,249
2005	2	1	1	1	1	10,697
2006	2	1	1	1	1	10,658
2007	2	1	1	1	1	10,777
2008	2	1	1	1	1	10,896
2009	2	1	1	1	1	11,487
2010	2	1	1	1	1	11,575
2011	2	1	1	1	1	12,159
2012	2	1	1	1	1	11,811

Source: City of Ridgeland

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City of Ridgeland
Table 20
Principal Employers
Current and Nine Years Ago

<u>Employer</u>	2012			2003		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Bankplus	336	1	25.00%	This information was not available from the city at the release date of this report.		
C-Spire	312	2	23.21%			
Wal-Mart Superstore	265	3	19.72%			
AT&T	217	4	16.15%			
Butler, Snow	214	5	15.92%			
Total	<u>1,344</u>		<u>100%</u>			

Source: City of Ridgeland, Individual companies

City of Ridgeland
Table 21
Full-time Equivalent Government Employees By Function
 Last Ten Calendar Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government	42	22	15	15	15	18	18	22	20	16
Public safety (1)	151	159	156	151	152	143	143	150	138	126
Public services	60	71	83	59	62	60	56	56	**	**
Culture and recreation	13	14	12	13	13	14	12	12	**	**
Total	266	266	266	238	242	235	229	240	158	142

Source: City of Ridgeland

Notes:

(1) Includes Fire and Police

** City of Ridgeland is compiling information, therefore the information was not available at the time this report was prepared

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City of Ridgeland
Table 22
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Building permits issued*	300	255	219	115	103	146	139	158	213	159
Building inspections conducted										
Public safety										
Police										
Arrests	3,393	3,447	3,302	3,730	3,511	2,664	2,463	2,128	2,347	2,717
Traffic violations	12,980	14,734	11,971	14,277	11,987	12,095	10,895	8,089	11,150	10,202
Parking violations	96	81	106	118	169	183	127	219	196	207
Fire										
Number of emergency calls answered	2,022	2,030	2,348	2,245	2,231	2,198	2,003	2,043	1,717	1,963
Number of inspections conducted	639	900	866	1,037	540	608	710	846	641	907
Fire insurance rating	5	5	5	5	5	5	5	5	5	5
Public services										
Centerline miles of road maintained										
City	142	140	140	140	**	**	**	**	**	**
Street resurfacing (miles)	**	**	**	**	**	**	**	**	**	**
Potholes repaired	**	**	**	**	**	**	**	**	**	**
Sanitation										
Water										
Service connections	7712	7720	7720	7,720	7,831	7,831	7,831	6,978	6,978	6,706
Water main breaks		6	6	3	**	**	**	**	**	**
Average daily consumption (thousands of gallons)	3,800	3,800	3,800	3,800	4,000	4,000	4,000	4,000	4,000	4,000
Number of fire hydrants	940	935	910	870	860	860	860	860	860	860
Sewer										
Average daily sewage treatment (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Culture and recreation										
Library										
Volumes in collection	**	**	**	**	**	**	**	**	**	**
Total volumes borrowed	**	**	**	**	**	**	**	**	**	**
Parks										
Athletic field permits issued	**	**	**	**	**	**	**	**	**	**

The number of inspections through year 2003 counted individual offices in large office buildings as a single inspection. After 2003, the large office building was counted as a single inspection

* Totals include Residential and Nonresidential

** This information was not available at the time this report was prepared.

*** Entire sanitary sewer is treated by the City of Jackson, therefore there are no figures for average daily sewage treatment

Source: City of Ridgeland

City of Ridgeland
Table 23
Capital Assets Indicators by Function
 Last Ten Fiscal Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	0	0	0	0	0	0	0
Patrol units	70	71	64	62	61	56	58	57	48	47
Fire										
Number of stations	4	4	4	4	4	4	4	4	3	3
Public services										
Street miles	164	162	162	162	162	162	162	250	250	227
Street Lights	1,250	1,248	1,200	1200	1,200	1,200	1,200	1,150	1,150	1,125
Traffic Signals	42	42	42	42	40	40	39	36	35	35
Sanitation										
Water										
Water mains (miles)	166	165	165	155	150	150	150	150	150	155
Storage capacity (thousands of gallons)	3,300	3,300	3,300	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Sewer										
Sanitary sewers (miles)	191	190	190	180	180	**	**	**	**	**
Storm sewers (miles)	150	150	150	150	150	**	**	**	**	**
Treatment capacity (thousands of gallons)	*	*	*	*	*	*	*	*	*	*
Refuse collection										
Collection trucks	N/A									
Culture and recreation										
Number of Parks	5	5	5	5	5	5	5	5	5	5
Park Acreage	250	250	250	250	250	250	250	250	250	250
Golf Courses	0	0	0	0	0	0	0	0	0	0
Community Centers	1	1	1	1	1	1	1	1	1	1
Recreational Trail Miles	7	7	7	7	**	**	**	**	**	**

Notes: No capital assets indicators are available for the General Government function.

* Entire sanitary sewer is treated by the City of Jackson, therefore no treatment capacity necessary.

** The information was not available at the time this report was prepared.

Source: City of Ridgeland

City of Ridgeland
Table 24
Miscellaneous Statistics

Date of Incorporation	1899	Average selling price of homes	\$169,866
Form of Government	Mayor/Aldermen	Median income-- household	\$48,826
Population (Estimated Census)	24,047		
Area in square miles	21	Major highways:	1
Number of employees (excluding police and fire):			
Classified	82	Railroads:	Canadian Nt. - Illinois Central
Exempt	37		
City of Ridgeland facilities and services:		Nearest commercial airport:	Jackson International, 18 miles Runway length 8,500 feet
Culture and Recreation:			
Ballfields	11	Nearest general airport:	Bruce Campbell Field, 3 miles Runway length 4,444 feet
Tennis Courts	17		
Soccer Fields	8		
Police Protection:		Nearest full-service port:	Port of Vicksburg, 55 miles
Number of sworn officers	69		Name of waterway - Mississippi River
Number of residents per sworn officer	321		
Water System:			
Maximum capacity in gallons per minutes	6,166		
Other Statistics:			
Percentage of Population (> 25 yrs.) with at least			
High school diploma	93.0%		
Bachelor's degree	48.5%		

Source:
City of Ridgeland
U. S. Census Bureau

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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FORTENBERRY & BALLARD, PC CERTIFIED PUBLIC ACCOUNTANTS

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

Mayor and Board of Aldermen
City of Ridgeland

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Ridgeland as of and for the year ended September 30, 2012, which collectively comprise the City of Ridgeland's basic financial statements and have issued our report thereon dated March 14, 2013. 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.

Internal Control Over Financial Reporting

Management of the City of Ridgeland is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the city's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the city's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the city's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the Mayor, the Board of Aldermen, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 14, 2013

Certified Public Accountants

FORTENBERRY & BALLARD, PC CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and Board of Aldermen
City of Ridgeland, Mississippi

Compliance

We have audited the compliance of the City of Ridgeland 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 its major federal programs for the year ended September 30, 2012. The city's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the city's management. Our responsibility is to express an opinion on the city's compliance based on our audit.

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'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. Our audit does not provide a legal determination on the city's compliance with those requirements.

In our opinion, the City of Ridgeland, Mississippi complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of the City of Ridgeland, Mississippi is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the city's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the

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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.

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 internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, the Board of Aldermen, management, others within the entity, entities with accreditation overview and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 14, 2013

Certified Public Accountants

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FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Mayor and Board of Aldermen
City of Ridgeland, Mississippi

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi as of and for the year ended September 30, 2012, which collectively comprise the City of Ridgeland's basic financial statements and have issued our report dated March 14, 2013. 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 all 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 basic financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use 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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 14, 2013

Certified Public Accountants

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Ridgeland, Mississippi

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012**

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|----------------|
| 1. | Type of auditor's report issued: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No. |
| | b. Significant deficiency(ies) identified? | None reported. |
| 3. | Noncompliance material to financial statements noted? | No. |

Federal Awards:

- | | | |
|----|--|---------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness(es) identified? | No. |
| | b. Significant deficiency(ies) identified? | None reported |
| 5. | Type of auditor's report issued on compliance for major programs: | Unqualified. |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | No. |
| 7. | Identification of major programs: | |
| | a) CFDA 20.205 - Highway Planning and Reconstruction | |
| 8. | Dollar threshold used to distinguish between Type A and Type B programs: \$300,000. | |
| 9. | Auditee qualified as a low-risk auditee? | Yes. |

Section II: Financial Statements Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

Section III: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to the federal awards.

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