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Gulfport

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**CITY OF GULFPORT, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
SEPTEMBER 30, 2015**



Prepared by:
Department of Finance

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

The Introductory Section is intended to familiarize the reader with the organizational structure of the city of Gulfport, Mississippi, the nature and scope of the services it provides and the specifics of the its legal operation environment.



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COMPTROLLER/CITY CLERK

P.O. Box 1780

Gulfport, MS 39502

Phone: 228-234-8590

June 15, 2016

To Members of the City Council and
Mayor Billy Hewes, III
Gulfport, Mississippi

The Department of Comptroller is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Gulfport, Mississippi, prepared in accordance with accounting principles generally accepted in the United States of America for the fiscal year ended September 30, 2015. These accompanying financial statements are prepared and presented in conformity with GASB Statement #34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The format, which includes Government-wide and Major Fund presentations, provides citizens, investors and creditors, grantor agencies, and other interested parties with reliable financial information about the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the report is accurate in all material respects and is designed to present fairly the financial position and results of operations of the City for fiscal year ending September 30, 2015. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Annual Financial Report consists of three parts. **(I) The Introductory Section** includes this transmittal letter, the City's organizational chart, a list of principal City officials, and the geographic location of the City. **(II) The Financial Section** includes: Management's Discussion and Analysis, the basic financial statements (government-wide and fund statements), notes to the financial statements, other required supplementary information (RSI), and the combining and individual fund financial statements and schedules, as well as the independent auditors' report on the financial statement schedules. **(III) The Statistical Section** includes several tables of unaudited data describing the financial history of the City as well as other miscellaneous statistics, generally presented on a multi-year basis.

The City is a member of the Harrison County Utility Authority, a joint venture with other local cities to provide adequate wastewater treatment and solid waste disposal services. The city is also involved in a joint venture with the Memorial Hospital at Gulfport, an acute health care center and the Gulfport Redevelopment Commission (GRC). A synopsis of the joint ventures' financial statements for the fiscal year ended September 30, 2015, is included in the notes section of this report.

The Reporting Entity and Services Provided

Incorporated on July 28, 1898, Gulfport is located in South Mississippi in Harrison County. Gulfport is a code-charter municipality operating under a Mayor/Council form of government. The Mayor is full-time and the Council-members are part-time and elected by wards. The Mayor and Council serve concurrent four-year terms. On July 1, 1997 the City added two additional members to the council as a result of a 1994 annexation bringing the total to seven.

In December 1993 the City annexed 33 square miles north of Gulfport becoming the second largest city in Mississippi with a land area of 56 square miles and a population around 68,000. A full range of services are provided including: 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.

Current Economic Conditions

Even though it has been ten years since Katrina, the City is still working towards recovering resources expended on not only Hurricanes Katrina, but also Gustav and Isaac. The national, state, and local economies are slowly recovering from one of the worst recessions recorded in many decades along with the impact felt by the worst man-made disaster recorded in history with the British Petroleum oil spill. Employment is one critical component of the economic development of an area. Per the Bureau of Labor Statistics¹, in the last ten years, using April as the benchmark, 2008 was the highest year of employment at 162.6 thousand for nonfarm workers in the Gulfport-Biloxi-Pascagoula area. In comparison, for April, 2015, 153.3 thousand were employed. This represents a 5.7% decrease in employment since 2008 and for the twelve months (April 2014 to April 2015) there was a negative 1.5% decrease in employment. The City will continue to be faced with the challenge to meet the needs of its citizens for some time.

The overall financial condition of the City can be best described as "Steady Growth." The cost of insurance and insurability issues continue to create challenges for homeowners, local businesses, and investors. Unemployment continues to remain high, but consumer confidence is slowly improving as indicated by increased sales tax revenue starting in 2012 and continuing through current times.

Future Economic Outlook

- ✦ A state of the art Aquarium is planned for construction to begin in Spring 2017 and completed by Spring 2019. The aquarium will not only attract visitors and spur economic development and jobs, city leaders believe, but also create educational awareness of the Coast's diverse marine life and enhance marine research. A hotel along with a walking bridge across US 90 is also planned to be completed to enhance the Aquarium experience. The Aquarium is expected to transform Gulfport and the entire Mississippi Coast.
- ✦ The City has issued 1,948 building permits for the period October 1, 2015 to February 20, 2016 with a total construction value of \$19.8 million. These projects consist of a mixture between commercial, residential, and quasi government construction. A significant portion of these construction projects should be recognized on the tax rolls prior to January 2017 and will result in an increase in annual ad valorem taxes.
- ✦ Island View – The Island View Casino has completed the renovation of the hotel tower south of Highway 90. The cost of the renovations is approximately \$60 million. The renovations include over 200 additional hotel rooms, several restaurants, and convention space.
- ✦ Gulfport Highlands-Gulfport Highlands has broken ground with the first building that is located on Highway 605 north of I-10. The development plans consist of 120,000 square feet of office space and 200,000 square feet of retail space. The Gulfport Highlands project has not progressed over the past year. The City remains hopeful for the completion of the Gulfport Highlands. Additionally, the Highway 605 corridor continues to develop with a new Walgreens located at the Southeast Corner of Pass Road and Cowan Road along with significant development north of Pass Road.
- ✦ Downtown Revitalization -Many new restaurants now operate within the downtown district and many more are slated to come. Gulfport is slowly becoming the headquarters for many corporations and nightlife has never been stronger. Centennial Depot has four leases for small businesses, only one of which is a relocation from within Gulfport. The others are expansions or new businesses.
- ✦ Wal-Mart Neighborhood Stores – Wal-Mart has built two neighborhood stores, better known as Wal-Mart Express in Gulfport.

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¹ Bureau of Labor Statistics Data http://data.bls.gov/timeseries/SMU2825060000000001?data_tool=XGtable

- ✦ Highway 605 Corridor – The City continues to recognize significant commercial growth along the Highway 605 corridor both north and south of Interstate 10. The commercial growth consists of medical, retail, restaurants, and professional offices.

Financial Information

Accounting System

The Department of Comptroller is responsible for providing the financial services for the City including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, budgeting, and purchasing.

The Department of Comptroller is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

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 City Council. Activities of the general fund, special revenue funds, debt service fund, capital projects funds, and proprietary funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major expenditure classification and require approval by the governing body; however, equal transfers between line items within a classification may be approved by the Department Director. For management purposes, the City manages its capital projects program by establishing project length budgets. Under this method, initial project budgets are established and remaining project funds from the previous year are automatically rolled over at year end to establish revised project budgets. The benefits of this method allows the City to only address project budgets on the initial set-up and any amendments that may be necessary throughout the life of the project.

The City maintains an encumbrance accounting system as one budgetary control technique. Encumbrances reserve appropriations, which have been obligated through purchase orders or contractual documents. Encumbered amounts lapse at year end; however, they are generally re-appropriated as part of the following year's budget.

Enterprise Funds

Gulfport's enterprise operations consist of the Water and Sewer Fund and the Joseph T. Jones Memorial Park Fund. The Water and Sewer Fund accounts for traditional water and sewer revenues and expenditures to construct and maintain the water and sewer system. The Joseph T. Jones Memorial Park Fund was created to account for operations, maintenance, and leasing of boat slips and other facilities within Jones Park. Financial statements related to both of these enterprise funds are contained in this report.

Independent Auditors

The City of Gulfport is required by Section 21-35-31 of the Mississippi Code of 1972 to have an annual audit by independent certified public accountants. In compliance with these requirements, the City selected the firm of Wright, Ward, Hatten & Guel PLLC to perform the audit for fiscal year ended September 30, 2015. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors rendered an unqualified opinion.

The City of Gulfport is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-128, Audits of States and Local Governments. Information related to the single audit, including internal control and compliance reports and an opinion on federal financial assistance is included in a separately issued single audit report.

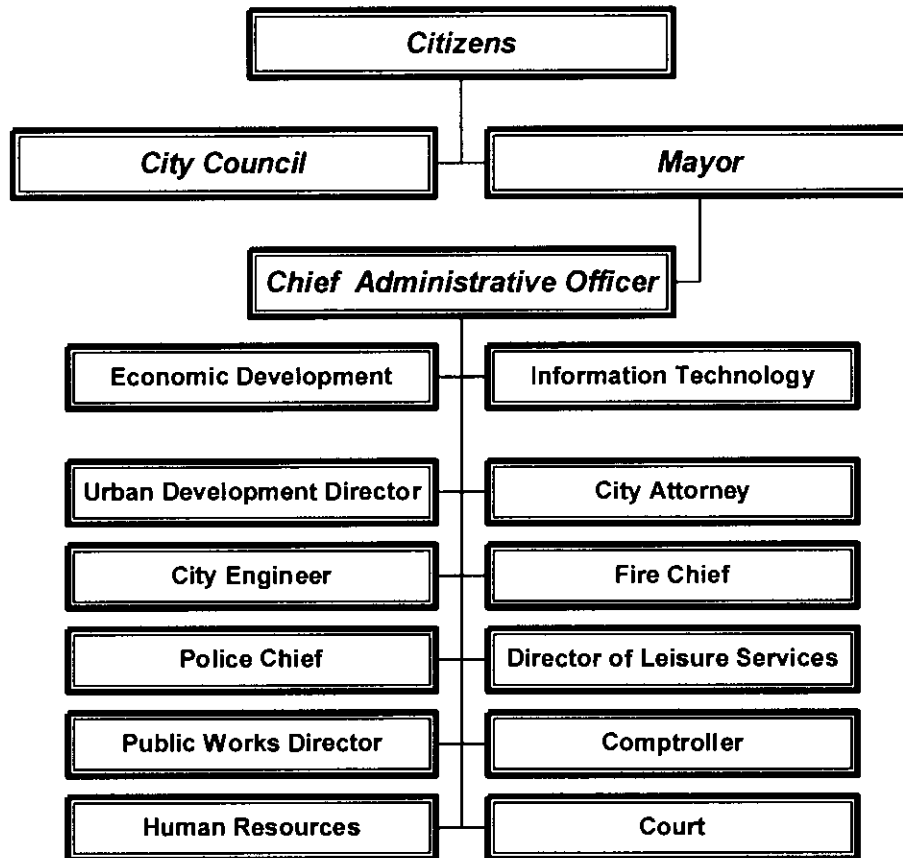
Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. I also wish to express my appreciation for the cooperation of the other City departments in providing information for this report.

Respectfully submitted,

Linda Elias
Comptroller

CITY OF GULFPORT ORGANIZATIONAL CHART



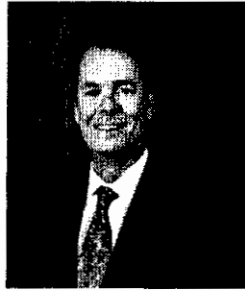
Appointed Officials

Chief Administrative Officer	John Kelly	General Counsel	Hugh Keating
Police Chief	Leonard Papania	City Attorney	Jeff Bruni
Leisure Services Director	David D'Aquila	Fire Chief	Michael Beyerstedt
Urban Dev Director	Greg Pietrangelo	City Engineer	Kris Riemann
City Clerk	Linda Elias	Public Works Director	Wayne Miller
Economic Development Director	David Parker		

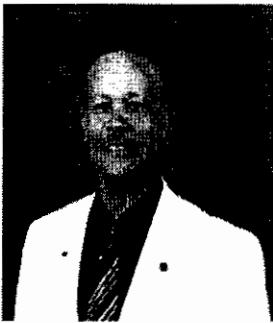
CITY OF GULFPORT, MISSISSIPPI

Listing of City Officials as of September 30, 2015

Elected Officials



Billy Hewes, III
Mayor



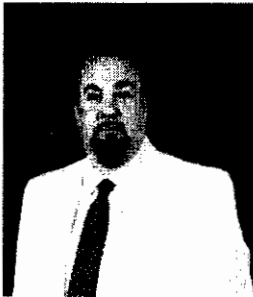
Kenneth L. Casey Sr.
Councilman, Ward 1



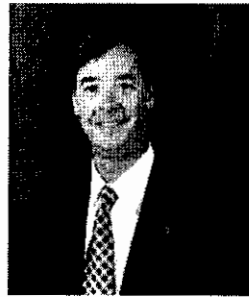
Ricky Dombrowski
Councilman, Ward 2



Ella Holmes-Hines
Councilwoman, Ward 3



F.B. "Rusty" Walker, IV
Councilman, Ward 4



Myles Sharp
Councilman, Ward 5

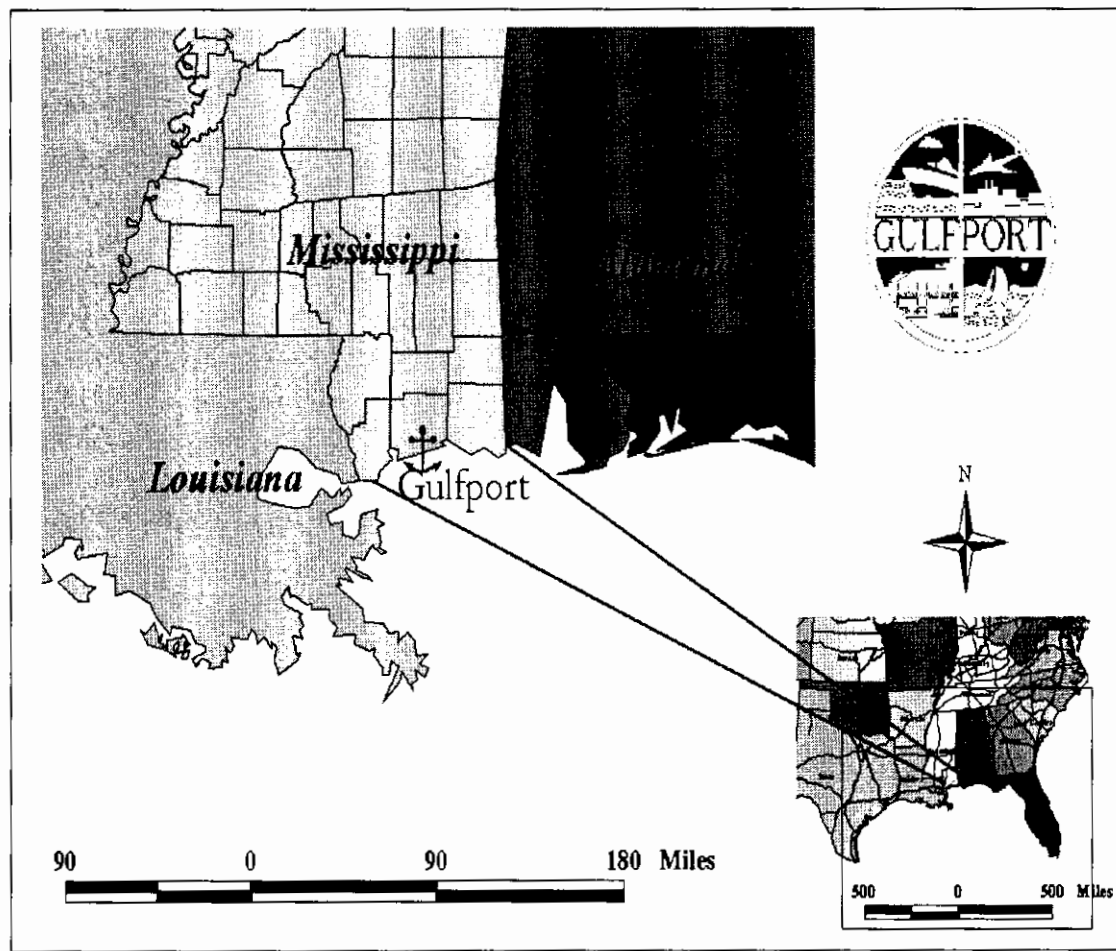


Robert "R.Lee" Flowers
Councilman, Ward 6



Cara Pucheu
Councilwoman, Ward 7

Geographic Location of Gulfport, Mississippi





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Gulfport
Mississippi**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

FINANCIAL SECTION

FINANCIAL SECTION

The Financial section contains the Independent Auditor's Report, the Auditor's Discussion and Analysis, the Basic Financial Statements (which include the Government-Wide and Fund Level Financial Statements, Notes to the Financial Statements, Required Supplementary Information and the combining and individual fund financial statements and schedules).

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1929)

Certified Public Accountants

HANCOCK BANK BUILDING

2510 - 14TH STREET

P.O. BOX 129

GULFPORT, MISSISSIPPI 39502

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INDEPENDENT AUDITORS' REPORT

June 21, 2016

To Members of the City Council and
Mayor Billy Hewes, III
Gulfport, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gulfport, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Gulfport Redevelopment Commission, which represent 11.6 percent, 11.4 percent, and .8 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gulfport Redevelopment Commission, and is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Unmodified 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 Gulfport, Mississippi, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended September 30, 2015, and required the restatement of net position as discussed in Note 17 to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Statements and Schedules, Other Supplementary Information and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements included in the Supplemental Information Section are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements included in the Supplemental Information Section are fairly stated, in all material respects, in relation to the basic financial statements 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 them.

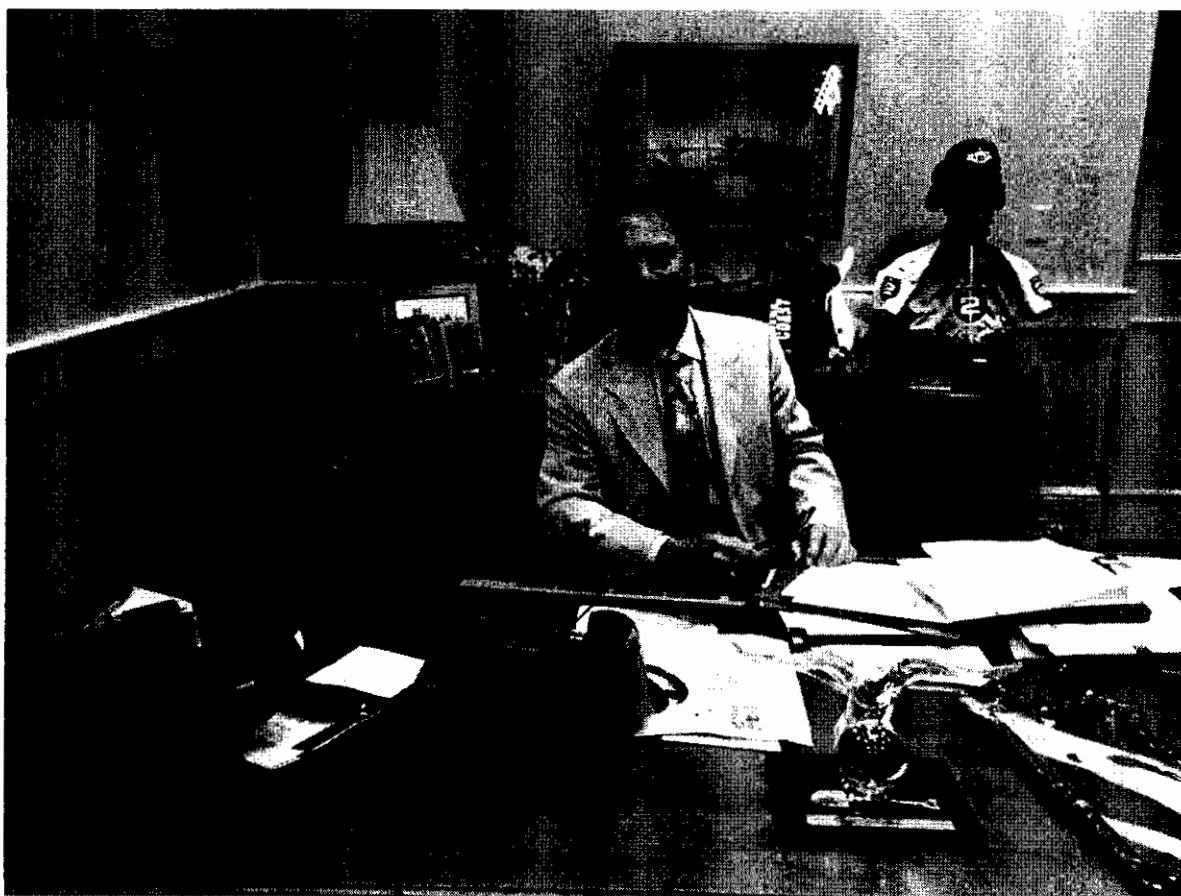
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a separate report dated June 21, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Walter Wood & Associates



Management Discussion and Analysis



City of Gulfport, Mississippi

Management Discussion and Analysis

Introduction

This section is a required component of the City's Comprehensive Annual Financial Report and should be read in conjunction with the City's transmittal letter at the front of this report and the City's financial statements which immediately follow this section. As management of the City of Gulfport, Mississippi, we offer this narrative and analysis of the financial activities for fiscal year ending September 30, 2015. This discussion and analysis is designed to: 1) present the significant financial issues in a way that will assist the reader in understanding the overall financial condition of the City; 2) provide an overview of the City's financial activity; 3) identify changes in the City's financial position; 4) identify any material deviations from the City's financial plan (i.e. budget to actual); and 5) communicate currently known facts, decisions, or conditions that are expected to have a significant "future" effect on the financial position or results of operations.

Financial Highlights

- ✓ The City's General Fund, the main operating fund, operated in the "black" with revenues exceeding operating expenditures and other sources by over \$5 million.
- ✓ The City's General Fund's fund balance, which represents the difference between assets minus liabilities, increased during the year from \$3.6 million in 2014 to \$7.9 million in 2015. This is a larger increase in fund balance than over the last few years.
- ✓ The City's total capital assets increased by \$6.5 million or .1%; going from \$555.0 million in 2014 to \$561.5 million in 2015. Capital assets consist of land, buildings, infrastructure, machinery & equipment, and vehicles.
- ✓ The City's overall debt outstanding increased by \$29.2 million, going from \$92.8 million in 2014 to \$122.0 million in 2015.
- ✓ The Employees' Group Health fund operated in the "red" by \$2.2 million with revenues of \$6.3 million and expenses of \$8.5 million. Net position for this fund was a negative (\$0.9) million at year end. The Claims Contingency fund operated in the black by \$116,000 leaving the internal service fund group with a combined of a negative (\$101,063) unrestricted net position.

Brief Description of the Financial Statements

This annual report consists of a series of financial statements which are presented in a hierarchal structure. The highest level of reporting and most summarized statements are the Statement of Net Position (i.e. balance sheet) on pages 28-29 and Statement of Activities (i.e. income statement) on page 30. These two statements provide financial information on the government as a whole similar to how private sector companies report their finances. These two statements are the only place within this report where a reader can review the operations and worth of the City of Gulfport as a whole. All of the City's annual revenues and expenses are reported in the Statement of Activities while the City's assets and liabilities are reported in the Statement of Net Position. These two statements answer the question "Is the City as a whole better off or worse off as a result of the year's activities?"

The second tier of financial reporting is the "Major" Fund Financial Statements. The fund financial statements begin on page 31 and provide detailed information about the City's most significant funds. Funds are accounting entities used to track specific funding sources and uses for particular programs. Individual funds are either established by law or set up for management purposes. Three separate statements are issued: one for activities that are of a governmental nature, a separate set of statements are contained for activities that are of a business like nature, and a separate set of statements are contained for activities that are of a fiduciary nature.

Governmental Funds – Most of the City's basic services are reported in the governmental funds. Examples include activities relating to governmental funds are public safety, public works (non water and sewer), culture and recreation, urban development, capital projects, debt service and general administration. The financial statements of Governmental Funds are reported on the modified accrual basis – which measures cash and all other financial assets that can readily be converted to cash. Governmental statements provide a more detailed short-term view. The amounts contained on these statements are adjusted for full accrual and rolled over to the government wide statements. Governmental Fund Financial Statements are contained on pages 31-35.

Proprietary Funds – Contain funds existing from fees charged to customers for services provided by the City. Activities relating to the City's Water and Sewer Operations and Joseph T. Jones yacht basin are reported in this section. The financial presentation of these activities is reported on pages 36-41 of this report. These financial statements are reported on the full accrual basis – revenues are recognized when earned and measurable. Because both the proprietary fund statements and the government wide statements are reported on the full accrual method of accounting, the total column of the proprietary funds statements are the same contained on the government wide business type activities column of the Statement of Net Position and Statement of Activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds. The city is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are presented in separate statements in this report beginning on page 43.

Financial Analysis of the City as a Whole

Condensed Government-wide Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets						
Current assets	\$ 60,957,137	30,300,543	23,476,273	8,554,302	84,433,410	38,854,845
Capital assets, net	312,274,670	312,591,222	249,213,013	242,376,915	561,487,683	554,968,137
Total Assets	373,231,807	342,891,765	272,689,286	250,931,217	645,921,093	593,822,982
Deferred Outflow of Resources						
Deferred amount on pensions	8,294,217	693,151	2,017,392	2,972,983	10,311,609	3,666,134
Total Deferred Outflow of Resources	8,294,217	693,151	2,017,392	2,972,983	10,311,609	3,666,134
Liabilities						
Current liabilities	9,020,590	10,566,777	23,027,892	10,364,045	32,048,482	20,930,822
Noncurrent liabilities	117,727,185	26,856,145	71,246,610	60,129,172	188,973,795	86,985,317
Total liabilities	126,747,775	37,422,922	94,274,502	70,493,217	221,022,277	107,916,139
Deferred Inflow of Resources						
Deferred amount on pensions	25,477,424	2,293,460	140,537	2,441,192	25,617,961	4,734,652
Total Deferred Inflow of Resources	25,477,424	2,293,460	140,537	2,441,192	25,617,961	4,734,652
Net Position						
Invested in capital assets	269,973,076	285,129,249	164,552,076	177,125,671	434,525,152	462,254,920
Restricted	14,019,819	13,301,974	15,731,978	952,515	29,751,797	14,254,489
Unrestricted	(54,692,070)	5,437,311	7,585	2,891,605	(54,684,485)	8,328,916
Total Net Position	\$ 229,300,825	303,868,534	180,291,639	180,969,791	409,592,464	484,838,325

Note: The columns entitled business-type activities include the activities of the City's water and sewer fund, the activities of the Joseph T. Jones Memorial Park and the activities of a blended component unit presentation of the Gulfport Redevelopment Commission, an agent of the City.

Analysis of Government Wide Statement of Net Position

Total Primary Government

From an "overall balance sheet perspective", the net position of the City of Gulfport as compared to the previous year decreased from \$484.8 million in 2014 to \$409.6 million in 2015, while total assets increased \$52.2 million from \$593.8 million in 2014 to \$646.0 million in 2015. Much of this increase is a result of increase in receivables. Total liabilities increased by \$113.0 million, from \$108.0 million to \$221.0 million. This increase in liabilities is mostly due to the net pension liability required to be reported this year. Net Position serves as a useful indicator of a government's financial position over time. By far, the majority of the City's net assets are related to investment in capital assets, i.e. roads, bridges, parks, water, sewer, machinery, etc., net of related debt is \$434.5 million which represents approximately over 106% of the City's total net position.

Current assets increased by \$45.6 million during the year increasing from \$38.9 million in 2014 to \$84.5 million in 2015.

Governmental Activities

Total assets for Governmental type activities increased by \$30.3 million, from \$342.9 million in 2014 to \$373.2 million in 2015; while Current assets (cash, short term receivables, etc.) increased by \$30.7 million; from \$30.3 million to \$61.0 million. The majority of this increase is a result of due from other governments. Total governmental activities liabilities increased \$89.3 million from \$37.4 million in 2014 to \$126.7 million in 2015.

Business Type Activities

The City's business type activities consist of the Water and Sewer, the Joseph T. Jones Memorial Park Funds, and the Gulfport Redevelopment Commission. Total assets increased by \$21.8 million; from \$250.9 million in 2014 to \$272.7 million in 2015, with current assets increasing by \$15.0 million, and capital assets increasing by \$6.8 million.

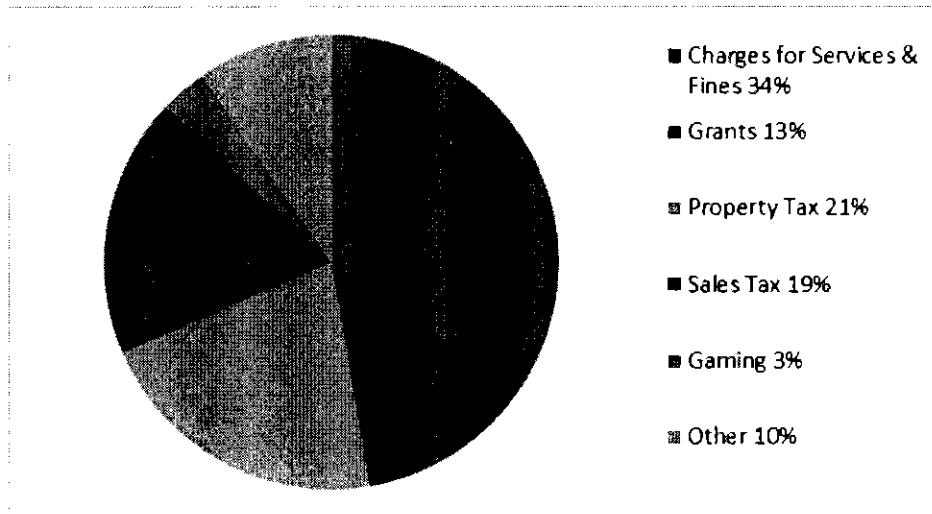
Condensed Government-wide Statement of Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for services	\$ 5,146,023	6,449,128	32,972,895	31,662,103	38,118,918	38,111,231
Operation grants and contributions	3,221,880	3,157,775	-	-	3,221,880	3,157,775
Capital grants and contributions	10,118,309	3,094,349	950,480	309,001	11,068,789	3,403,350
General revenues						
Property taxes	23,522,538	24,240,264	-	-	23,522,538	24,240,264
Sales taxes	20,523,996	19,739,832	-	-	20,523,996	19,739,832
Gaming	3,656,859	3,092,973	-	-	3,656,859	3,092,973
Other	10,312,758	25,720,118	396,659	3,619,851	10,709,417	29,339,969
Total Revenues	<u>76,502,363</u>	<u>85,494,439</u>	<u>34,320,034</u>	<u>35,590,955</u>	<u>110,822,397</u>	<u>121,085,394</u>
Program Expenses						
General government	9,984,277	17,447,206	-	-	9,984,277	17,447,206
Public safety	35,195,058	28,485,153	-	-	35,195,058	28,485,153
Public works	13,400,408	12,878,389	-	-	13,400,408	12,878,389
Economic development	3,777,350	1,927,464	1,072,180	87,250	4,849,530	2,014,714
Culture and recreation	8,178,271	7,876,483	-	-	8,178,271	7,876,483
Interest on long-term debt	1,262,659	1,001,747	-	-	1,262,659	1,001,747
Water and sewer	-	-	31,522,039	31,584,772	31,522,039	31,584,772
Joseph T. Jones	-	-	1,580,391	1,769,575	1,580,391	1,769,575
Total Expenses	<u>71,798,023</u>	<u>69,616,442</u>	<u>34,174,610</u>	<u>33,441,597</u>	<u>105,972,633</u>	<u>103,058,039</u>
Change in Net Position	<u>\$ 4,704,340</u>	<u>15,877,997</u>	<u>145,424</u>	<u>2,149,358</u>	<u>4,849,764</u>	<u>18,027,355</u>

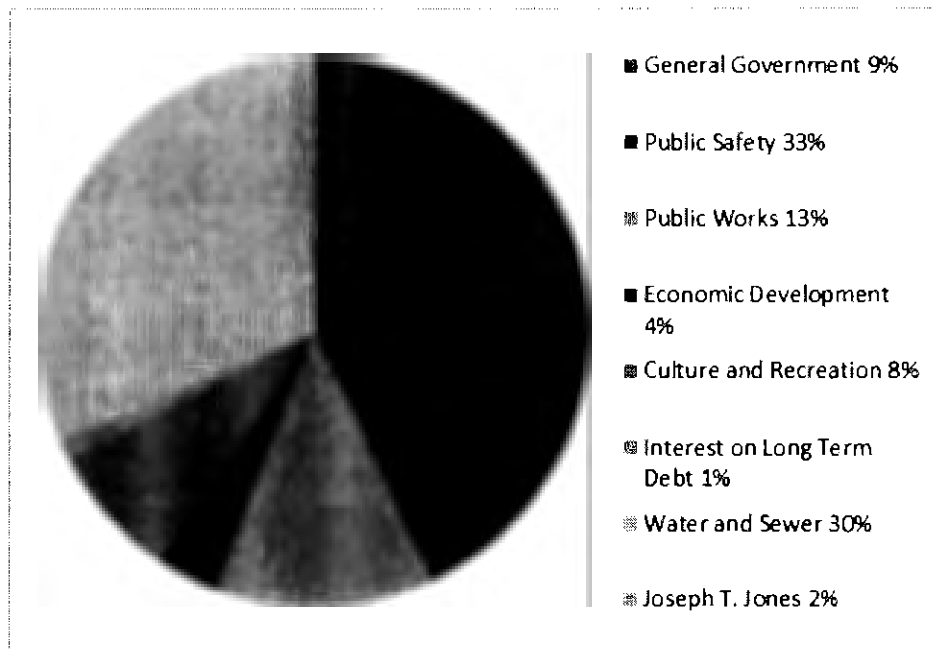
Note: The columns entitled business-type activities include the activities of the City's water and sewer fund, the activities of the Joseph T. Jones Memorial Park and the activities of a blended component unit presentation of the Gulfport Redevelopment Commission, an agent of the City.

Analysis of Government Wide Statement of Activities

Where Does The Money Come From?



Where Does the Money Go?



Revenues

The City's revenues exceeded expenses by \$4.9 million for the 2015 year. With the near completion of hurricane recovery, federal grants are returning to pre-hurricane levels.

Property Tax – Property tax accounts for \$23.5 million or 21% of the City's total revenues and is considered the most stable revenue source for the City. The City's property tax revenue is expected to recognize growth in the near future as a result of commercial property investments.

Sales Tax - Another significant source of revenue for the City is sales tax accounting for \$20.5 million or 19% of the City's total revenues. The City is beginning to recognize slow to moderate growth in Sales Taxes from the previous year.

Grants – The City received a total of \$6.6 million in grants for the 2014 year as compared to \$14.3 million in 2015. The majority of these grants were related to the City's recovery from Hurricane Katrina and the largest granting agency was the Federal Emergency Management Agency (FEMA).

Expenses

The City's total government wide expenses were \$103.1 million in 2014 as compared to \$105.2 million in 2015; representing an increase of \$2.0 million or 1.9%. This increase is mainly attributed to public safety enhancements and Water & Sewer enhancements.

The table below represents the cost of each of the City's major governmental functional areas – Public Works, Public Safety, Culture and Recreation, General Government, and Economic Development. The costs are separated into total cost and net cost. The net cost shows the financial burden that was placed on the City's taxpayers after taking into account the program revenues generated by each of the major functional areas.

Governmental Activities – Cost of Service

	Total Cost of Service	Net Cost of Service
Governmental Activities:		
General Government	\$ 9,984,277	\$ 6,209,425
Public Safety	35,195,058	31,477,168
Public Works	13,400,408	8,584,770
Economic Development	3,777,350	375,214
Culture and Recreation	8,178,271	5,402,575
Interest on long term debt	1,262,659	1,262,659
Total Governmental activities	\$ 71,798,023	\$ 53,311,811

Fund Financial Analysis

The City maintains fund accounting to comply with budgetary and legal compliance and for specific management control. The following is a brief discussion of financial highlights from the major fund financial statements.

Governmental Funds

The focus of the governmental fund financial statements is to provide information on current financial resources of the City. Funds included in this category are as follows: General Fund, Capital Project Funds (i.e. Public Improvements 1996, 1998, 2001, and 2003), Special Revenue Funds (i.e. Forfeits and Seizures, Community Development, Police and Fire Retirement, and Police Traffic Safety), Disaster Relief and Debt Service Fund.

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The General Fund is the primary “governmental operating fund” of the City. Activities that are traditional in nature to governmental entities are reported in this fund: i.e. public safety, public works (operations & maintenance), culture and recreation, economic development, and general government. The General Fund accounts for nearly 70.1% of the City’s total revenues and 55.4% of the City’s total expenditures. Overall, the General Fund’s financial condition improved as compared to the previous year.

General Fund – Financial Summary

	2015	2014
Total Revenues	\$ 57,163,591	\$ 53,953,879
Total Expenditures	58,659,219	54,619,914
Excess (Deficit) of Revenues over Expenses	(1,495,628)	(666,035)
Other Financing Sources (Uses)	6,770,322	799,534
Fund Balance – Beginning Year	3,627,812	3,494,313
Prior Period Adjustment	(987,639)	
Fund Balance – Ending Year	\$ 7,914,867	\$ 3,627,812

- ✓ The General Fund operated in the “red” by \$1,495,628 for the 2015 year with revenues of \$57.2 million and expenditures of \$58.7 million. New initiatives must take place in upcoming annual budgets to balance ongoing expenditures to recurring revenues.
- ✓ General Fund assets increased by \$23.0 million; from \$9.6 million in 2014 to \$32.6 million in 2015.
- ✓ The General Fund’s unassigned fund balance increased from \$3.6 million to \$7.9 million. Unrestricted fund balance is extremely important in that it represents that portion of the City’s assets (mainly cash and receivables) that are not designated for expenditures. The purpose of these funds are to 1) stabilize tax rates in an economic downturn, 2) provide the city with resources in the event of a natural disaster, and 3) provide the city with resources for other unforeseen events and or circumstances. The City’s unreserved portion of fund balance as a percentage of general fund expenditures was 13.2% for year ending 2015 and 6.4% for year ending 2014. Based upon industry standards, it is recommended that governmental entities maintain approximately 15% in fund reserves.
- ✓ Total General Fund revenues increased by 5.9% in 2015; from \$54.0 million in 2014 to \$57.2 million in 2015.
- ✓ Total General Fund expenditures increased by 7.4% in 2015; from \$54.6 million in 2014 to \$58.7 million in 2015.

Community Development Program Fund – Financial Summary

	2015	2014
Total Revenues	\$ 2,190,480	\$ 2,674,144
Total Expenditures	2,178,596	2,750,071
Excess (Deficit) of Revenues over Expenses	11,884	(75,927)
Fund Balance – Beginning Year	221,348	297,275
Prior Period and GAAP Adjustments	(387,366)	
Fund Balance – Ending Year	\$(154,134)	\$ 221,348

- ✓ The Community Development Program Fund operated in the “black” by \$158,047 for the 2015 year with revenues of \$2.2 million and expenditures of \$2.0 million.
- ✓ Community Development Program Fund assets decreased by \$382,254; from \$1.2 million in 2014 to \$783,922 in 2015.

Capital Projects Fund – Financial Summary

	2015	2014
Total Revenues	\$ 5,604,323	\$ 1,235,945
Total Expenditures	9,307,489	4,862,542
Excess (Deficit) of Revenues over Expenses	(3,703,166)	(3,626,597)
Other Financing Sources (Uses)	15,418,442	
Fund Balance – Beginning Year	6,901,144	10,527,741
Prior Period Adjustment	(3,403,304)	
Fund Balance – Ending Year	\$ 15,213,116	\$ 6,901,144

- ✓ The Capital Projects Fund operated in the “red” by \$3.7 million for the 2015 year with revenues of \$5.6 million and expenditures of \$9.3 million.
- ✓ Capital Projects Fund assets increased by \$8.6 million; from \$1.2 million in 2014 to \$16.6 million in 2015.

Debt Service Fund – Financial Summary

	2015	2014
Total Revenues	\$ 4,452,891	\$ 5,024,546
Total Expenditures	3,939,253	4,688,829
Excess (Deficit) of Revenues over Expenses	513,638	335,717
Other Financing Sources (Uses)		474,265
Fund Balance – Beginning Year	3,910,426	3,910,426
Prior Period Adjustments	(4,482,574)	
Fund Balance – Ending Year	\$ 751,472	\$ 4,720,408

- ✓ The Debt Service Fund operated in the “black” by \$513,638 for the 2015 year with revenues of \$4.5 million and expenditures of \$3.9 million.
- ✓ Debt Service Fund assets decreased by \$3.6 million; from \$5.4 million in 2014 to \$1.8 million in 2015.

Business-Type Activities

Water and Sewer Fund

The purpose of the City’s Water and Sewer Fund is to account for activities of its water and sewer operations. The financial reporting of this fund is contained on the government wide financial statements under the column entitled “business-type activities. Below is a condensed operating statement of the City’s Water and Sewer Fund.

Condensed Statement of Revenues and Expenses Water and Sewer Fund Fiscal years Ending September 30, 2015 and 2014

	2015	2014
Operating Revenues	\$ 32,224,892	\$ 30,558,713
Operating Expenses	28,451,890	28,868,007
Operating income	3,773,002	1,690,706
Non Operating Items:		
Interest Expense	(2,701,173)	(2,718,209)
Other	235,858	3,817,186
Change in Net Position	\$ 1,307,687	\$ 2,789,683

- ✓ The City’s water and sewer fund’s operating income was \$1.7 million in 2014 as compared to \$3.8 million in 2015. Important to remember is that income from operations does not include interest expense as this is reported in the non-operating items nor does this amount include repayment of principal on borrowed funds. Revenues increased by \$1.7 million while expenses decreased by \$416,117 during 2015.
- ✓ The amount identified above as “Other” includes capital contributions from FEMA for replacement of the City’s sanitary sewer and water systems along the coastline and contributions from developers who turned over assets

to the City for perpetual maintenance. This amount is expected to begin a downward trend as the City's rebuilding efforts from Hurricane Katrina damages come to an end.

- ✓ The City issued bonds for the Water and Sewer Fund in the amount of \$32.5 million in FYE 2015 with \$14 million allocated to pay for Water and Sewer related upgrades and \$18.5 million refunding bond.

General Fund Budgetary Highlights

The City's General Fund Budget has been prepared in accordance with the laws of the State of Mississippi. The City maintains specific budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the Mayor and Council. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department and major expenditure classification (i.e. personnel services, supplies, other services, and capital outlay) and require approval by the governing body.

Summary of Budget to Actual Amounts

General Fund Fiscal Year Ending September 30, 2015

	Original Budget	Revised Budget	Actual Amounts (Budget Basis)
Revenues:			
Property taxes	\$ 18,000,000	\$ 18,315,301	\$ 18,315,301
Sales tax	20,200,000	20,618,172	20,618,172
Intergovernmental	2,002,000	1,990,215	1,990,215
Fines and forfeits	1,897,000	1,487,011	1,487,011
Gaming	3,070,000	3,420,364	3,420,364
Franchise, licenses & permits	5,200,000	5,420,650	5,420,650
Charges for services	2,359,000	2,015,994	2,015,994
Grants	1,057,000	1,760,629	1,760,629
Other	673,000	4,440,194	4,440,194
Total Revenues	\$ 54,458,000	\$ 59,468,530	\$ 59,468,530
Expenditures:			
General government	8,311,012	8,333,740	8,333,740
Police	17,310,492	17,626,207	17,626,207
Fire	11,990,644	12,385,103	12,385,103
Public works	8,533,229	8,249,594	8,249,594
Economic development	2,120,811	2,043,150	2,043,150
Culture and recreation	6,118,098	5,930,558	5,930,558
Total Expenditures	54,384,286	54,568,352	54,568,352
Excess (Deficit) of Revenues over expenditures	\$ 73,714	\$ 4,900,178	\$ 4,900,178

The City amended its General Fund's Revenue and Expenditure budget many times over the year. At year end, the budget was adjusted to actual and approved by Council. Below is a brief description of major budget amendments.

- ✓ The revenue budget (original versus revised) was amended upward by \$5.0 million or 9.2%; original budget of \$54.5 million as compared to the revised budget of \$59.5 million.
 - ✓ The Expenditure Budget was increased by \$0.2 million or less than 1%.
- Overall, the City's General Fund actual revenues for 2015 (budget basis) of \$59.5 million, \$5.0 million change from the original budget detail are described below.

- ✓ A significant amount of this difference is attributed to budget increases in Other Revenue which is related to receiving BP monies of \$4.4 million.
- ✓ Property tax revenues are \$0.3 million above original budget.
- ✓ Sales tax revenues are \$0.4 million above original budget.
- ✓ Court fines and forfeitures are \$0.4 million below original budget.
- ✓ Grant revenues are \$0.7 million above original budget.
- ✓ Charges for services are \$0.3 below original budget
- ✓ Gaming revenues are \$0.4 above original budget

The City's General Fund actual expenditures exceeded its original budgeted expenditures by a mere \$0.2 million, less than 1% change. While some departments exceeded their original budgets, others decreased expenditures from the original budget resulting in the less than 1% overall budget change from original to final budget.

Capital Assets

Schedule of Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and Construction in Progress	\$46,403,628	\$54,807,743	27,952,229	\$20,514,315	\$74,355,857	\$75,322,058
Buildings	62,737,466	64,198,534	5,320,222	5,320,222	69,518,756	69,518,756
Improvements and Infrastructure	194,529,508	187,535,320	213,250,797	214,651,631	407,780,305	402,186,951
Machinery & Eqpt.	2,599,996	1,992,223	925,593	1,140,277	3,525,589	3,132,500
Capital Leases	1,963,875	96,736	340,494	411,810	2,304,369	508,546
Vehicles	4,040,197	3,960,666	338,089	338,660	4,378,286	4,299,326
Totals	\$ 312,274,670	\$ 312,591,222	\$ 249,213,013	\$ 242,376,915	\$ 561,487,683	\$ 554,968,137

The above table represents the values (net of depreciation) of the City's various classes of assets. The ending 2015 asset values were estimated at \$487.1 million and included a wide range of assets: land, buildings, parks, roads, bridges, drainage systems, machinery, vehicles, and water and sewer systems. Asset values increased by \$5.5 million or 1.2% (after depreciation) as compared to the prior year. See Note 7 in the financial section of this report for more detail information on capital assets.

Depreciation expense for the 2015 year totaled \$13.0 million and was allocated to the following classes of assets:

Allocation of Depreciation by Major Asset Class

Buildings	\$ 1,858,543
Improvements other than Buildings	816,614
Machinery and Equipment	735,923
Vehicles	633,802
Infrastructure (roads, bridges, drainage, water & sewer system, etc.)	8,954,254
Total Depreciation	\$ 12,999,136

Depreciation is both an extremely useful tool and is often underutilized in the financial planning process. In order to adequately maintain the City's assets, the amounts contained in the above depreciation allocation table should become a recurring expense item in future City budgets.

Significant increases in capital acquisitions and improvements include:

- ✓ Buildings - \$9 million.

**Debt Administration
Schedule of Long Term Debt**

	Governmental Activities		Business-type Activities		Totals	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bonds payable and notes payable	\$ 34,795,000	\$ 25,550,000	\$66,207,317	\$65,783,035	\$ 101,002,317	\$ 91,333,035
Capital leases payable	2,173,989	793,191	124,380	-	2,298,369	793,191
Compensated absences	2,150,544	2,063,972	50,518	27,802	2,201,062	2,091,774
Claims and judgments	29,000	30,000		-	29,000	30,000
Net pension liability	73,024,884		2,272,785		75,297,669	
Liability for self-insurance claims	3,977,361	2,610,554			3,977,361	2,610,554
Bond Premiums	1,576,407		2,591,610		4,168,017	
Totals	\$ 117,727,185	\$ 31,047,717	\$ 71,246,610	\$65,810,837	\$188,973,795	\$ 96,858,554

Note: The above amounts do not include debt relating to Memorial Hospital or Harrison County Utility Authority which are joint ventures of the City.

Current Known Facts Effecting Future Financial Issues

1. Unfunded Hurricane Katrina Projects

It has been determined that many Hurricane Katrina related recovery projects which were originally thought to be wholly funded by FEMA may not meet FEMA's eligibility requirements. The total amount unfunded projects is unknown to date. Any shortfall recognized within the Disaster Recovery Fund is ultimately to be funded by the General Fund. The funding source for the potential unfunded projects has not been identified.

2. Asset / Infrastructure deterioration

- ✓ The City's book value of its capital assets exceeds \$558 million with infrastructure comprising 80% of this amount. Capital assets include the following: Land, Buildings, Machinery, Equipment, Vehicles, and infrastructure, (i.e. roads, drainage systems, and water & sewer systems), etc. Relating to this, the City's annual depreciation expense exceeds \$12 million. This amount is significant as the City currently has no policy or financial plan in place regarding a perpetual asset lifecycle replacement program. Depreciation is an important but often underutilized tool in the financial planning process and should become a recurring budgeted expense item in future budgets to ensure that assets are replaced as their useful lives become expired. Unaddressed, this only places a larger burden on future generations.
- ✓ Machinery and Equipment Replacements - Both the City's Public Works Director and Leisure Services Director have expressed their needs for much needed equipment replacements. Most of the equipment in these departments has exceeded their useful lives and the maintenance cost of keeping this equipment operational is significant. The Leisure Services Department has requested \$850,000 in funding for equipment replacements while the Public Works Department has requested \$2,600,000. The City issued bonds in the amount of \$30 million in FYE 2015. \$1.5 million of the bond issue was allocated for equipment with \$1 million for Public Works and \$500,000 for Leisure Services.
- ✓ Perhaps the single most important challenge facing this City will be addressing "serious" water and sewer infrastructure needs. The City Engineer has identified approximately \$117 million in needed water improvements and \$49.2 in needed sewer improvements. These improvements will begin to satisfy EPA standards set forth for which the City must adhere to. The City Engineer has developed a 12 year Water and Sewer Capital Master Plan that details the methods of funding the Water and Sewer improvement and to meet the EPA standards. The City issued bonds in the amount of \$30 million in FYE 2015. \$14 million of the bond issue was allocated for Water and Sewer infrastructure upgrades and improvements. In addition, future water and sewer rate increases recommended in the 12 year Water and Sewer Capital Master Plan were approved in 2015.

3. General Fund – Low Cash Reserves "Rainy Day Fund"

The General Fund's "rainy day" cash increased from \$2.0 million in 2014 to \$4.9 million in 2015. This is a relatively low amount as compared to industry standards. The Government Finance Officers' Association recommends that a Governmental entity maintain at least 15% of its General Fund operating budget as cash reserves. For a City the size of Gulfport in terms of General Fund Budget, Gulfport's cash reserves should be about \$8.8 million. Cash reserves are used to: 1) cover unforeseen emergencies such as hurricanes, tropical storms, and other natural disasters, 2) bridge short term funding gaps in the way of economic downturns, 3) and cover any other unforeseen circumstances the City may encounter throughout its normal course of providing services to its citizens. Without a doubt, re-establishing Gulfport's rainy day fund to pre- Hurricane Katrina levels should be a top priority when formulating future annual budgets.

4. General Fund – Balancing Future Budgets

Another concern relating to the overall financial condition of the General Fund rests with being able to formulate "balanced" budgets for upcoming years. For the 2015 year, the City's General Fund operated in the "black" by \$5.3 million and the ending fund balance was \$7.9 million. Most of this increase was due to a British Petroleum settlement of \$4.4 million. Through conservative cost cutting measures the City made good strides in improving its fund balance.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Office at 228-868-5705. The City's web site is www.Gulfport-ms.gov

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Government-Wide Financial Statements

CITY OF GULFPORT, MISSISSIPPI
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash	\$ 8,343,681	\$ 1,797,559	\$ 10,141,240
Receivables	28,257,377	4,433,873	32,691,250
Court fines receivable, net	3,613,131	-	3,613,131
Inventory	-	8,486	8,486
Due from other governments	4,644,300	-	4,644,300
Internal balances	649,701	(649,701)	-
Prepaid insurance	959,976	4,769	964,745
Land deposits	-	5,000	5,000
Restricted assets:			
Cash and cash equivalents	14,488,971	16,925,676	31,414,647
Investment	-	950,611	950,611
Total current assets	<u>60,957,137</u>	<u>23,476,273</u>	<u>84,433,410</u>
Noncurrent Assets			
Capital assets:			
Land and construction in progress	46,403,628	27,952,229	74,355,857
Other capital assets, net of accumulated depreciation			
Buildings	62,737,466	6,405,811	69,143,277
Improvements and infrastructure	194,529,508	213,250,797	407,780,305
Machinery and equipment	2,599,996	925,593	3,525,589
Vehicles	4,040,197	338,089	4,378,286
Equipment under capital leases	1,963,875	340,494	2,304,369
Total other capital assets, net of accumulated depreciation	<u>265,871,042</u>	<u>221,260,784</u>	<u>487,131,826</u>
Total noncurrent assets	<u>312,274,670</u>	<u>249,213,013</u>	<u>561,487,683</u>
Total assets	<u>373,231,807</u>	<u>272,689,286</u>	<u>645,921,093</u>
Deferred Outflows of Resources			
Deferred amounts on refunding	259,885	1,729,965	1,989,850
Deferred amounts on pensions	8,034,332	287,427	8,321,759
Total deferred outflows of resources	<u>8,294,217</u>	<u>2,017,392</u>	<u>10,311,609</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 381,526,024</u></u>	<u><u>\$ 274,706,678</u></u>	<u><u>\$ 656,232,702</u></u>

(continued next page)

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

CITY OF GULFPORT, MISSISSIPPI

Statement of Net Position

September 30, 2015

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	3,682,224	2,652,064	6,334,288
Retainage payable	35,084	-	35,084
Accrued interest	469,152	744,026	1,213,178
Sales tax payable	-	82,675	82,675
Accrued wages payable	427,800	14,804	442,604
Unearned revenue	390,247	-	390,247
Bonds payable	3,722,200	4,727,800	8,450,000
Notes payable	-	12,533,733	12,533,733
Leases payable	293,883	128,481	422,364
Payable from restricted assets:			
Customer deposits	-	2,144,309	2,144,309
Total current liabilities	<u>9,020,590</u>	<u>23,027,892</u>	<u>32,048,482</u>
Noncurrent Liabilities			
Liability for self-insurance claims	3,977,361	-	3,977,361
Bonds payable	34,795,000	46,225,000	81,020,000
Notes payable	-	19,982,317	19,982,317
Leases payable	2,173,989	124,380	2,298,369
Bond premiums	1,576,407	2,591,610	4,168,017
Net pension liability	73,024,884	2,272,785	75,297,669
Compensated absences	2,150,544	50,518	2,201,062
Death benefit claims	29,000	-	29,000
Total noncurrent liabilities	<u>117,727,185</u>	<u>71,246,610</u>	<u>188,973,795</u>
Total liabilities	<u>126,747,775</u>	<u>94,274,502</u>	<u>221,022,277</u>
Deferred Inflows of Resources			
Deferred property tax revenue	23,330,702	-	23,330,702
Deferred amounts on refunding	-	77,581	77,581
Deferred amounts on pensions	2,146,722	62,956	2,209,678
Total deferred inflows of resources	<u>25,477,424</u>	<u>140,537</u>	<u>25,617,961</u>
Net Position			
Net investment in capital assets	269,973,076	164,552,076	434,525,152
Restricted	14,019,819	15,731,978	29,751,797
Unrestricted	(54,692,070)	7,585	(54,684,485)
Total net position	<u>\$ 229,300,825</u>	<u>\$ 180,291,639</u>	<u>\$ 409,592,464</u>
Total Liabilities Deferred Inflows of Resources and Net Position	<u>\$ 381,526,024</u>	<u>\$ 274,706,678</u>	<u>\$ 656,232,702</u>

(concluded)

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

CITY OF GULFPORT, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2015

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 9,984,277	\$ 1,120,782	\$ -	\$ 2,654,070	\$ (6,209,425)		\$ (6,209,425)
Public safety	35,195,058	2,099,891	1,254,168	363,831	(31,477,168)		(31,477,168)
Public works	13,400,408	77	76,951	4,738,610	(8,584,770)		(8,584,770)
Economic development	3,777,350	1,211,817	1,890,761	299,558	(375,214)		(375,214)
Culture and recreation	8,178,271	713,456	-	2,062,240	(5,402,575)		(5,402,575)
Interest	1,262,659	-	-	-	(1,262,659)		(1,262,659)
Total governmental activities	71,798,023	5,146,023	3,221,880	10,118,309	(53,311,811)		(53,311,811)
Business-type activities:							
Water and Sewer	31,522,039	31,966,110	-	599,826		\$ 1,043,897	1,043,897
Joseph T. Jones Park	1,580,391	753,310	-	350,654		(476,427)	(476,427)
Gulfport Redevelopment Commission	1,072,180	253,475	-	-		(818,705)	(818,705)
Total business - type activities	34,174,610	32,972,895	-	950,480		(251,235)	(251,235)
Total	\$ 105,972,633	\$ 38,118,918	\$ 3,221,880	\$ 11,068,789		(251,235)	(53,563,046)
General revenues:							
Property taxes, levied for general purposes					18,324,198	-	18,324,198
Property taxes, levied for special purposes					5,198,340	-	5,198,340
Sales taxes					20,523,996	-	20,523,996
Franchise taxes					4,246,279	-	4,246,279
Gaming fees					3,656,859	-	3,656,859
Grants and contributions not restricted to specific programs					1,612,414	-	1,612,414
Earnings on investments					11,817	5,008	16,825
Other					4,442,248	391,651	4,833,899
Total general revenues					58,016,151	396,659	58,412,810
Change in net position					4,704,340	145,424	4,849,764
Net position - beginning of year, as previously stated					303,868,534	180,969,791	484,838,325
Prior period adjustments					(79,272,049)	(823,576)	(80,095,625)
Net position - beginning of year, restated					224,596,485	180,146,215	404,742,700
Net position - end of year					\$ 229,300,825	\$ 180,291,639	\$ 409,592,464

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

Governmental Fund Financial Statements

General Fund (major fund) – This fund is used to account for all governmental sources and uses of financial resources applicable to the general operations of the City of Gulfport, Mississippi, which are not legally or by sound financial management to be accounted for in another fund.

Capital Projects Fund (major fund) – This fund is used to account for tax revenues and certain government grants specifically restricted for the construction of major capital facilities and public improvement projects not otherwise funded by general obligation bonds

Non-major Governmental Funds are presented by fund type in the supplemental section.

CITY OF GULFPORT, MISSISSIPPI

Governmental Funds

Balance Sheet

September 30, 2015

	Major Funds		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
Assets				
Cash and cash equivalents	\$ 4,910,800	\$ -	\$ 944,413	\$ 5,855,213
Receivables:				
Property tax	18,251,111	-	5,263,057	23,514,168
Sales taxes	3,326,332	-	-	3,326,332
Franchise taxes	1,140,593	-	-	1,140,593
Gaming fees	276,284	-	-	276,284
Intergovernmental receivable	90,518	2,780,492	1,773,290	4,644,300
Court fines & fees	3,613,131	-	-	3,613,131
Due from other funds	859,753	88,801	738,412	1,686,966
Restricted assets:				
Cash and cash equivalents	160,512	13,744,426	584,033	14,488,971
Total assets	<u>\$32,629,034</u>	<u>\$16,613,719</u>	<u>\$ 9,303,205</u>	<u>\$58,545,958</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,699,606	\$ 1,005,114	\$ 969,152	\$ 3,673,872
Retainage payable	-	27,539	7,545	35,084
Accrued wages payable	425,111	-	2,689	427,800
Due to other funds	867,578	-	605,893	1,473,471
Unearned revenue	-	367,949	22,298	390,247
Total liabilities	<u>2,992,295</u>	<u>1,400,602</u>	<u>1,607,577</u>	<u>6,000,474</u>
Deferred inflows of resources:				
Deferred property tax revenue	18,108,742	-	5,221,960	23,330,702
Deferred court fine revenue	3,613,131	-	-	3,613,131
Total deferred inflows of resources	<u>21,721,873</u>	<u>-</u>	<u>5,221,960</u>	<u>26,943,833</u>
Fund balances:				
Restricted for:				
Public safety	-	-	249,351	249,351
Culture and recreation	160,512	-	1,067,786	1,228,298
Capital projects	-	15,213,116	559,193	15,772,309
Debt service	-	-	751,472	751,472
Unassigned	7,754,355	-	(154,134)	7,600,221
Total fund balances	<u>7,914,867</u>	<u>15,213,116</u>	<u>2,473,668</u>	<u>25,601,651</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$32,629,035</u>	<u>\$16,613,718</u>	<u>\$ 9,303,205</u>	<u>\$58,545,958</u>

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

CITY OF GULFPORT, MISSISSIPPI
Governmental Funds
Reconciliation of Balance Sheet to Statement of Net Position
September 30, 2015

Total governmental funds balance **\$ 25,601,651**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Governmental capital assets	450,620,045	
Less: accumulated depreciation	<u>(138,345,375)</u>	312,274,670

Long-term liabilities are not due and payable in the current period expenditures and therefore are not reported in the governmental funds.

Bonds payable	(38,517,200)	
Capital leases payable	(2,467,872)	
Compensated absences	(2,150,544)	
Claims payable	<u>(29,000)</u>	(43,164,616)

Governmental funds report the effect of discounts, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond premium	(1,576,407)	
Deferred amounts on refunding	<u>259,885</u>	(1,316,522)

Other long term assets are not available to pay or current period expenditures and therefore are deferred in the funds.

Court fines receivable		3,613,131
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Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability		(73,024,884)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	8,034,332	
Deferred inflows of resources related to pensions	<u>(2,146,722)</u>	5,887,610

Internal Service Funds are used by management to charge the costs of various internal operations to individual funds. The assets and liabilities of Internal Service Funds are included in governmental activities in the Statement of Net Position as follows:

Current assets	3,884,650	
Current liabilities	(8,352)	
Estimated claims payable	<u>(3,977,361)</u>	(101,063)

Accrued interest not due and payable in the current period expenditures and, therefore, not reported in the funds.

		<u>(469,152)</u>
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Net position of governmental activities		<u>\$ 229,300,825</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF GULFPORT, MISSISSIPPI
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
September 30, 2015

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 18,324,198	\$ -	\$ 5,198,340	\$ 23,522,538
Sales tax	20,523,996	-	-	20,523,996
Franchise taxes	4,246,279	-	-	4,246,279
Gaming fees	3,450,659	-	-	3,450,659
Licenses and permits	1,102,339	-	-	1,102,339
Intergovernmental	5,939,453	5,098,419	4,017,063	15,054,935
Charges for services	1,974,416	-	-	1,974,416
Fines and fees	1,423,042	-	-	1,423,042
Interest income	3,653	5,904	2,260	11,817
Lease revenue	134,889	-	-	134,889
Miscellaneous	40,667	500,000	-	540,667
Total revenues	<u>57,163,591</u>	<u>5,604,323</u>	<u>9,217,663</u>	<u>71,985,577</u>
Expenditures				
General government	8,355,662	-	17,100	8,372,762
Public safety	29,026,606	-	1,238,362	30,264,968
Public works	8,321,750	1,264,683	-	9,586,433
Economic development	1,981,378	-	1,586,310	3,567,688
Culture and recreation	5,818,242	-	396,756	6,214,998
Capital outlay	4,878,631	7,942,669	1,167,421	13,988,721
Debt service:				
Principal	235,436	-	3,032,800	3,268,236
Interest	41,514	-	894,182	935,696
Other debt service costs	-	100,137	12,271	112,408
Total expenditures	<u>58,659,219</u>	<u>9,307,489</u>	<u>8,345,202</u>	<u>76,311,910</u>
Excess (deficiency) of revenues over expenditures	<u>(1,495,628)</u>	<u>(3,703,166)</u>	<u>872,461</u>	<u>(4,326,333)</u>
Other Financing Sources (Uses)				
Transfers in	401,891	-	179,667	581,558
Transfers out	-	(581,558)	-	(581,558)
Bond proceeds	-	16,000,000	-	16,000,000
Lease proceeds	1,910,117	-	-	1,910,117
Sale of capital assets	55,352	-	7,196	62,548
British Petroleum settlement	4,402,962	-	-	4,402,962
Total other financing sources (uses)	<u>6,770,322</u>	<u>15,418,442</u>	<u>186,863</u>	<u>22,375,627</u>
Net change in fund balances	<u>5,274,694</u>	<u>11,715,276</u>	<u>1,059,324</u>	<u>18,049,294</u>
Fund balances-beginning	3,627,812	6,901,144	6,300,830	16,829,786
Prior period adjustment	(987,639)	(3,403,304)	(4,886,486)	(9,277,429)
Fund balances - beginning, restated	<u>2,640,173</u>	<u>3,497,840</u>	<u>1,414,344</u>	<u>7,552,357</u>
Fund balances-ending	<u>\$ 7,914,867</u>	<u>\$ 15,213,116</u>	<u>\$ 2,473,668</u>	<u>\$ 25,601,651</u>

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

CITY OF GULFPORT, MISSISSIPPI
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2015

Net change in fund balances - total governmental funds **\$ 18,049,294**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 13,988,721	
Depreciation	<u>(6,816,624)</u>	7,172,097

Proceeds from the sale of capital assets are recorded as other sources of income in the Statement of Revenues, Expenditures and Changes in Fund Balances, however, these proceeds are offset by disposal of assets to show gains or losses from the sale of capital assets in the Statement of Activities.

(584,629)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Debt retirement	3,268,236	
Debt issuance	(17,910,117)	
Death claims paid	1,000	
Bond premiums amortization	158,718	
Deferred amounts on bond refunding amortization	<u>(30,724)</u>	(14,512,887)

Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities under the full accrual basis of accounting.

51,272

Pension expense and other related activity do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.

Additional pension liability		(4,258,194)
Contributions after the measurement date		1,181,623

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

Accrued interest payable		(342,550)
Compensated absences		(21,884)

Internal service funds are used by management to charge the cost of certain activities such as insurance costs, to individual funds.

(2,029,802)

Change in net position of governmental activities **\$ 4,704,340**

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

Proprietary Fund Financial Statements

Water and Sewer Fund (major fund) – This fund is used to account for the activities of the Water and Sewer operations of the City of Gulfport, Mississippi.

Joseph T. Jones Park Fund (non-major fund) – This fund is used to account for operations, maintenance, and leasing of boat slips and other facilities within the Joseph T. Jones Memorial Park.

Gulfport Redevelopment Commission Fund (non-major blended component unit) – The commission's sole purpose is to finance, develop and manage City owned property. Its assets were received from the City and consist of the south parcel of the VA property given to the City by the Department of Veteran Affairs in 2009.

Internal Service Funds are presented in the supplemental section.

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CITY OF GULFPORT, MISSISSIPPI

Proprietary Funds Statement of Net Position September 30, 2015

	Business-type Activities				Governmental
		Non-major Funds			Activities
	Water and Sewer Fund	Joseph T. Jones Park Fund	Gulfport Redevelopment Commission	Total Business-type Activities	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,696,523	\$ 1,840	\$ 99,196	\$ 1,797,559	\$ 2,488,468
Accounts receivable, net	4,231,760	3,843	198,270	4,433,873	-
Inventory	-	8,486	-	8,486	-
Due from other funds	417,437	-	-	417,437	436,206
Prepaid insurance	-	-	4,769	4,769	959,976
Land deposits	-	-	5,000	5,000	-
Restricted assets:					
Cash and cash equivalents	16,921,526	4,150	-	16,925,676	-
Investment	950,611	-	-	950,611	-
Total current assets	24,217,857	18,319	307,235	24,543,411	3,884,650
Noncurrent assets:					
Capital assets:					
Land	149,313	-	26,994,071	27,143,384	-
Construction in progress	808,845	-	-	808,845	-
Buildings	-	2,490,651	5,105,150	7,595,801	-
Improvements and infrastructure	255,073,969	23,629,801	-	278,703,770	-
Machinery and equipment	2,366,586	206,935	-	2,573,521	-
Vehicles	2,825,414	64,935	-	2,890,349	-
Equipment under capital leases	494,418	-	-	494,418	-
Less: accumulated depreciation	(66,377,232)	(3,857,476)	(762,367)	(70,997,075)	-
Total noncurrent assets	195,341,313	22,534,846	31,336,854	249,213,013	-
Total assets	219,559,170	22,553,165	31,644,089	273,756,424	3,884,650
Deferred Outflows of Resources					
Deferred amounts on refunding	1,729,965	-	-	1,729,965	-
Deferred amounts on pensions	221,299	66,128	-	287,427	-
Total deferred outflows of resources	1,951,264	66,128	-	2,017,392	-
Total Assets and Deferred Outflows of Resources	\$ 221,510,434	\$ 22,619,293	\$ 31,644,089	\$ 275,773,816	\$ 3,884,650

(continued next page)

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

CITY OF GULFPORT, MISSISSIPPI

Proprietary Funds Statement of Net Position September 30, 2015

	Business-type Activities				Governmental Activities
	Non-major Funds				
	Water and Sewer Fund	Joseph T. Jones Park Fund	Gulfport Redevelopment Commission	Total Business-type Activities	Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	2,378,738	30,940	242,386	2,652,064	8,352
Accrued interest	585,676	-	158,350	744,026	-
Sales tax payable	79,845	2,830	-	82,675	-
Wages payable	11,552	3,252	-	14,804	-
Due to other funds	813,278	253,860	-	1,067,138	-
Liability for self-insurance claims	-	-	-	-	3,977,361
Bonds payable	4,727,800	-	-	4,727,800	-
Notes payable	1,695,487	-	10,838,246	12,533,733	-
Leases payable	128,481	-	-	128,481	-
Customer deposits	2,140,159	4,150	-	2,144,309	-
Total current liabilities	12,561,016	295,032	11,238,982	24,095,030	3,985,713
Noncurrent liabilities:					
Bonds payable	46,225,000	-	-	46,225,000	-
Notes payable	19,982,317	-	-	19,982,317	-
Leases payable	124,380	-	-	124,380	-
Bond premium	2,591,610	-	-	2,591,610	-
Net pension liability	1,749,889	522,896	-	2,272,785	-
Compensated absences	40,902	9,616	-	50,518	-
Total noncurrent liabilities	70,714,098	532,512	-	71,246,610	-
Total liabilities	83,275,114	827,544	11,238,982	95,341,640	3,985,713
Deferred Inflows of Resources					
Deferred amounts on refunding	77,581	-	-	77,581	-
Deferred amounts on pensions	48,472	14,484	-	62,956	-
Total deferred inflows of resources	126,053	14,484	-	140,537	-
Net Position					
Net investment in capital assets	121,518,622	22,534,846	20,498,608	164,552,076	-
Restricted	15,731,978	-	-	15,731,978	(101,063)
Unrestricted	858,667	(757,581)	(93,501)	7,585	-
Total net position	138,109,267	21,777,265	20,405,107	180,291,639	(101,063)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 221,510,434	\$ 22,619,293	\$ 31,644,089	\$ 275,773,816	\$ 3,884,650

(concluded)

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

CITY OF GULFPORT, MISSISSIPPI
Proprietary Funds
Statement of Revenue, Expenses and Change in Net Position
For the Year Ended September 30, 2015

	Business-type Activities				Governmental Activities
	Non-major Funds				Internal Service Funds
	Water and Sewer Fund	Joseph T. Jones Park Fund	Gulfport Redevelopment Commission	Total Business-type Activities	
Operating Revenues					
Charges for services	\$ 31,966,110	\$ 753,310	\$ 253,475	\$ 32,972,895	\$ -
Employee contributions	-	-	-	-	1,124,291
Retiree contributions	-	-	-	-	228,166
Employer contributions	-	-	-	-	7,427,706
Insurance claim reimbursements	-	-	-	-	689,668
Miscellaneous	258,782	119,369	13,500	391,651	4,643
Total operating revenues	32,224,892	872,679	266,975	33,364,546	9,474,474
Operating Expenses					-
Personnel services	1,050,493	291,313	-	1,341,806	-
Contractual services	18,254,739	251,913	438,809	18,945,461	-
Materials and supplies	2,834,416	418,411	-	3,252,827	-
Administrative expenses	985,142	50,000	-	1,035,142	549,682
Premium payments	-	-	-	-	2,363,647
Claims and estimate changes	-	-	-	-	8,592,210
Depreciation expense	5,327,100	568,754	286,658	6,182,512	-
Bad debt expense	-	-	78,975	78,975	-
Total operating expenses	28,451,890	1,580,391	804,442	30,836,723	11,505,539
Operating income (loss)	3,773,002	(707,712)	(537,467)	2,527,823	(2,031,065)
Non-operating Revenues (Expenses)					
Interest income	5,008	-	-	5,008	1,263
Interest expense	(2,701,173)	-	(267,738)	(2,968,911)	-
Other debt service costs	(368,976)	-	-	(368,976)	-
Total non-operating revenues (expenses)	(3,065,141)	-	(267,738)	(3,332,879)	1,263
Income (loss) before contributions	707,861	(707,712)	(805,205)	(805,056)	(2,029,802)
Capital contributions	599,826	350,654	-	950,480	-
Change in net position	1,307,687	(357,058)	(805,205)	145,424	(2,029,802)
Total net position--beginning	138,204,777	22,961,264	19,803,750	180,969,791	1,929,099
Prior period adjustment	(1,403,197)	(826,941)	1,406,562	(823,576)	(360)
Total net position--beginning, as restated	136,801,580	22,134,323	21,210,312	180,146,215	1,928,739
Total net position--ending	\$ 138,109,267	\$ 21,777,265	\$ 20,405,107	\$ 180,291,639	\$ (101,063)

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

CITY OF GULFPORT, MISSISSIPPI

Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2015

	Business-type Activities				Governmental Activities
	Non-major Funds				Internal Service Fund
	Water and Sewer Fund	Joseph T. Jones Park Fund	Gulfport Redevelopment Commission	Total Business-type Activities	
Cash flows from operating activities:					
Receipts from customers	\$ 31,759,737	\$ 751,600	\$ 84,668	\$ 32,596,005	\$ -
Cash received from other operating receipts	258,782	119,369	13,500	391,651	4,643
Cash received from employees and others	-	-	-	-	1,352,457
Cash received from insurance claims	-	-	-	-	737,523
Cash received from employer contributions	-	-	-	-	7,427,706
Payments to employees	(1,026,507)	(294,111)	-	(1,320,618)	-
Payments to suppliers	(2,728,977)	(419,873)	-	(3,148,850)	-
Payments for contractual services	(16,611,503)	(84,680)	-	(16,696,183)	(10,086,041)
Payments for other goods and services	(2,152,911)	(235,561)	(207,902)	(2,596,374)	-
Net cash provided by (used) in operating activities	9,498,621	(163,256)	(109,734)	9,225,631	(563,712)
Cash flows from non-capital financing activities:					
Loans from (to) other funds	738,450	120,321	-	858,771	1,063,794
Net cash provided by non-capital financing activities	738,450	120,321	-	858,771	1,063,794
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(987,563)	-	(10,554,925)	(11,542,488)	-
Proceeds from debt	14,000,000	-	11,438,246	25,438,246	-
Principal payments on debt	(5,951,187)	-	(600,000)	(6,551,187)	-
Interest paid on debt	(2,370,066)	-	(109,388)	(2,479,454)	-
Net cash provided by (used) in capital financing activities	4,691,184	-	173,933	4,865,117	-
Cash flows from investing activities:					
Interest received	4,912	-	-	4,912	1,263
Net cash provided by investing activities	4,912	-	-	4,912	1,263
Net increase in cash and cash equivalents	14,933,167	(42,935)	64,199	14,954,431	501,345
Cash and cash equivalents - October 1	3,684,882	48,925	-	3,733,807	1,987,123
Cash and cash equivalents - September 30	<u>\$ 18,618,049</u>	<u>\$ 5,990</u>	<u>\$ 64,199</u>	<u>\$ 18,688,238</u>	<u>\$ 2,488,468</u>
Classified as:					
Current assets	\$ 1,696,523	\$ 1,840	\$ 64,199	\$ 1,762,562	\$ 2,488,468
Restricted assets	16,921,526	4,150	34,997	16,960,673	-
	<u>\$ 18,618,049</u>	<u>\$ 5,990</u>	<u>\$ 99,196</u>	<u>\$ 18,723,235</u>	<u>\$ 2,488,468</u>

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

CITY OF GULFPORT, MISSISSIPPI
Proprietary Funds
Statement of Cash Flows-Continued
For the Year Ended September 30, 2015

	<u>Business-type Activities</u>				<u>Governmental Activities</u>
	<u>Non-major Funds</u>				<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	<u>Joseph T. Jones Park Fund</u>	<u>Gulfport Redevelopment Commission</u>	<u>Total Business-type Activities</u>	
Operating income (loss)	\$ 3,773,002	\$ (707,712)	\$ (537,467)	\$ 2,527,823	\$ (2,031,065)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	5,327,100	568,754	286,658	6,182,512	-
Bad debt expense	-	-	78,975	78,975	-
(Increase) decrease in assets:					
Accounts receivable	(574,883)	190	(168,807)	(743,500)	-
Other receivables	245,954	-	-	245,954	47,855
Inventory	-	12,263	-	12,263	-
Prepaid expenses	-	-	21	21	71,490
Increase (decrease) in liabilities:					
Accounts payable	372,578	(34,883)	230,886	568,581	(18,799)
Sales tax payable	79,845	2,830	-	82,675	-
Wages payable	(31,836)	(10,752)	-	(42,588)	-
Net pension liability	49,985	14,937	-	64,922	-
Liability for self-insurance claims	-	-	-	-	1,366,807
Leases payable	128,481	-	-	128,481	-
Customer deposits	122,558	(1,900)	-	120,658	-
Compensated absences payable	5,837	(6,983)	-	(1,146)	-
Net cash provided (used) by operating activities	<u>\$ 9,498,621</u>	<u>\$ (163,256)</u>	<u>\$ (109,734)</u>	<u>\$ 9,225,631</u>	<u>\$ (563,712)</u>
					(concluded)

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

Fiduciary Fund Financial Statements

Fiduciary Funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Combining schedules presented in the supplemental section.

CITY OF GULFPORT, MISSISSIPPI
Fiduciary Funds
Statement of Assets and Liabilities
September 30, 2015

	<u>Total</u>
Assets	
Cash and cash equivalents	\$ 317,106
Assets held for disposal	54,350
Total assets	<u>\$ 371,456</u>
Liabilities	
Assets held in trust	371,456
Total liabilities	<u>\$ 371,456</u>

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The accompanying notes are an integral part of these financial statement.

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Notes to the Financial Statements

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Gulfport, Mississippi, (the "City") was incorporated on July 28, 1898, under the laws of the State of Mississippi. The City operates under a Mayor-Council form of government. The following services are provided by the City: Public Safety (Police, Fire and Protection/Inspection), Street Maintenance, Garbage Collection, Water and Sewer, Social and Recreational, Public Improvements, Planning and Zoning, and General Administrative Services.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainders of the notes are organized to provide explanations, including required disclosures, of the City's financial activities.

B. Financial Reporting Entity

The City is a charter city in which citizens elect the mayor at large and seven council members by wards. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Component Unit Disclosure

The criteria for including component unit information with the primary government consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with the data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City presents its component unit using the blended method.

The Gulfport Redevelopment Commission is an Urban Renewal Agency of the City of Gulfport, formed and existing under the "Urban Renewal Laws" of the State of Mississippi, Title 43, Chapter 35, Article I, Mississippi Code of 1972, and its five-member board of commissioners is appointed by the mayor and confirmed by the council of the City of Gulfport. Its sole purpose is to promote and facilitate the urban renewal and development of certain parcels of real property, improvements or other assets or projects as they may be designated from time to time by the City. The Gulfport Redevelopment Commission provides services solely to the City and is reported as an enterprise fund using the blended method.

Related Organizations

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

Joint Ventures and Jointly Governed Organizations

Management of the City has identified two joint ventures with the City (Harrison County Utility Authority and Memorial Hospital at Gulfport) and two jointly governed organizations with the City (Harrison County Library System and Gulfport-Biloxi Regional Airport Authority).

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A joint venture is a legal entity or other organization that results from contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or on ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks and rewards of providing goods or services to the venture participants directly, or for the benefit of the general public or specific service recipients.

A jointly governed organization is similar in nature to a joint venture in that they provide goods and services to the citizenry of two or more governments. However, they do not meet the definition of a joint venture because there is no ongoing significant financial interest or responsibility by the participating governments.

See Note 14 for more information regarding related organizations not included in the City's reporting entity.

C. Basis of Presentation

Governmental-wide Financial Statements

The City presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. . These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds.

All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund

This is a capital project fund (deemed to be a major fund by the requirements set forth in GASB 34 issued by the Governmental Accounting Standards) that is used to account for all capital projects that are not associated with a specific debt issuance.

Proprietary Funds – Business-type activities

Proprietary Funds are accounted for using the economic resources measurement focus; and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary fund:

Water and Sewer Fund –

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Proprietary Funds – Governmental-type activities

The City reports the Internal Service Funds which are used to account for the self-funded property and casualty self-insurance, workman's compensation, and self-funded health and disability insurance provided to departments of the city.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds –

The City reports the Fiduciary Funds accounts for resources held by the City in a custodial capacity for other governments, private organizations, or individuals.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected but unsettled at year-end. A two-month availability period is used for recognition of most other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are franchise taxes, sales taxes and gaming revenues collected and held by the State at year-end on behalf of the City. Licenses and permits, certain charges for services, fines and forfeits and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

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

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. The City has electively added the Debt Service Fund as a major fund. The non-major funds are combined in one column in the fund financial statements and detailing in the combining section.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operations. The principal operating revenues of the Water and Sewer fund and the Joseph T. Jones Park fund are charges to customers for sales and services. The City insurance funds bill the other funds to cover insurance premiums and claims. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash and Investments

The City's cash and cash equivalents are primarily considered to be cash on hand, amounts in demand deposits and certain money market mutual funds. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City maintains and controls a major cash pool in which the majority of the City's funds share. Each fund's portion of the pool is on their respective balance sheet as cash and cash equivalents, some of which are restricted assets.

Cash with fiscal agents, along with various investments, are components of an investment account maintained by a fiscal agent. Cash with fiscal agents is that minor portion of the account which is not invested or any particular moment in time. This amount represents the residual cash that the fiscal agent does not have tied up in investment at September 30.

State statutes authorize the City to invest in (1) direct obligations of the United States government to the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit when insured or secured by acceptable collateral and (3) obligations of the State of Mississippi; or any county, municipality or school district of the State of Mississippi which have been approved by a reputable bond attorney or have been validated by the decree of the chancery court.

Investments are recorded at fair value in accordance with GASB Statement No. 31 with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements. Income from short-term interest bearing securities is recognized as earned.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at fair value when published prices are available, or at cost plus accrued interest, which approximates fair value.

F. Receivables

All trade receivables are shown net of an allowance for uncollectible. Miss. Code Ann. (1972) does not allow for write-off of debt owed to municipalities. The amount represented on the financial statements is conclusive of all bad debts owed by customers of the water and sewer department, the harbor fund and the Gulfport Redevelopment Commission since the City started providing these services to citizens. The allowances deemed uncollectible in the water and sewer fund are based on trade receivables in excess of 90 days outstanding.

G. Inter-fund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

H. Transactions between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

I. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year; and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

J. Restricted Assets

Each customer deposits funds with the City when a water and sewer account is opened. These funds are restricted due to the deposits and are held by the City until the customer account is closed, at which time the amounts are refundable to the customer. Also certain debt issues require contingency deposits be maintained separately for future debt payments.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair market value at the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been provided over the estimated useful lives using the straight-line method. The following estimated useful lives for proprietary fund assets are used to compute depreciation:

Buildings	40 years
Water and Sewer system	50 years
Infrastructure	60 years
Improvements	10-25 years
Machinery and equipment	5-10 years
Vehicles	5 years

L. Deferred Outflows/In flows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of September 30, 2015, the City had deferred outflows of resources associated with bond refunding in the amount of \$1,989,850 and deferred amounts on pensions in the amount of \$8,321,759 which are reflected in the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2015 the City had deferred inflows of resources for property taxes in the amount of \$23,330,702; deferred amounts associated with bond refunding in the amount of \$77,581, and deferred amounts on pensions in the amount of \$2,209,678 which are reflected in the Statement of Net Position.

M. Net Position

Net position represents the difference between deferred inflows and outflows assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed its use either through enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Nature and Purpose of Designations of Fund Balance

The fund balance designations for donor-imposed restrictions, debt service, and encumbrances are discussed in Note 10. The fund equity designation for subsequent year's expenditures primarily represents amount of cash used in the next year's budget to offset amounts in which expenditures are budgeted in excess of budgeted revenues.

O. Compensated Absences

City policy allows employees hired prior to January 8, 2013, to accumulate all unused vacation, compensatory (comp time) and sick leave. Those hired after January 8, 2013, may not carry annual leave over from year to year without approval. Retiring and terminating employees covered under the Disability and Relief-Municipal Retirement System are paid for all unused vacation, sick leave, and unused comp time. All other employees are paid for up to 30 days of unused vacation and all unused comp time upon retirement or termination, while excess vacation and all accumulated sick leave remaining are counted as creditable service toward retirement.

Generally, vacation, sick leave and compensatory absences vest and are recorded as the obligation is incurred. In the proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year.

The compensated absences liability was computed using the specific identification method whereby the applicable number of vacation and sick hours and all compensatory hours are multiplied by the employee's hourly rate at September 30, 2015. The resulting liability is then increased to include social security and retirement contributions that the City is required to pay upon liquidation of the liability.

P. Post-Employment Health Care Benefits

The City does not have costs associated with post-employment benefits for retired employees. The City does allow employees to continue in the group plan after retirement; however, the retired employees pay all premiums.

Q. Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

R. New Accounting Pronouncements

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The requirements of this statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual basis financial statements of employers and non-employer contributing entities. This statement is effective for fiscal years beginning after June 15, 2014 and should be implemented in conjunction with Statement No. 68. The impact of this statement is discussed in detail in Note 15.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for financial statements for periods beginning after June 15, 2015. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this statement improve financial reporting by allowing governments to apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement is effective for financial statements for periods beginning after June 15, 2015. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The procedures used by the City in establishing the budgetary data recorded in the general purpose financial statements are as follows:

1. The Finance Division of the Department of Administration prepares estimates of available revenue.
2. Department directors submit proposed expenditure budgets to the Finance Division by June 1 each year.
3. The Finance Division reviews expenditure budgets and necessary revisions are made.
4. Budgeted revenues and expenditures are balanced, and a summary budget is prepared and presented to the Mayor.
5. The Mayor submits the proposed budget to the City Council by August 1.
6. Public hearings are conducted to obtain taxpayer comments.
7. The final budget is approved by September 15 and must be published in a local newspaper on or before September 30.
8. The budget is formally amended in July each year, if necessary. However, budget revisions are made throughout the year (prior to July), as reallocations of funds are necessary, a budget deficit is indicated, or circumstances change which dictate the need for a budget amendment.
9. Formal budgetary integration is employed as a management control device for all governmental and proprietary fund types.

The legal level of control for all budgets adopted is at the fund level with the exception of the General Fund, which is appropriated at the department level. Administrative control for all budgets is maintained through the establishment of more detailed line-item budgets.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The Finance Division of the Department of Administration exercises budgetary monitoring throughout the fiscal year. An adopted budget may not exceed its appropriated level without City Council approval. However, department heads may make transfers of appropriations within a department. Budgetary controls are incorporated into the City's purchasing system. Purchase requisitions entered into the computer system that will cause a line item to exceed its budget will automatically be disallowed. The department head will then be required to make an inter-department budget transfer or request a budget amendment.

10. Encumbrance accounting, under which executed but unperformed purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and are re-appropriated in the next year's budget.
11. Unexpended appropriations lapse at year-end in all funds.

NOTE 3: PROPERTY, GAMING, SALES TAX AND LEASE REVENUES

(A) Property Tax

Harrison County bills and collects the real, personal, and auto ad valorem taxes for the City. Taxes on real and personal property are levied by the City Council at the first regular meeting in September for the ensuing fiscal year, which begins on October 1. Restrictions associated with property tax levies vary with the statutory authority. State law limits the amount of increase in certain property taxes. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount that resulted from the assessments of the previous year plus new construction.

Real property taxes become a lien on January 1 and personal property taxes become a lien on March 1 of the current calendar year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All taxes are remitted monthly to the City. In addition, Harrison County also remits to the City a pro-rata share of road and bridge taxes collected by the County. Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue when received. Real property taxes are recognized as revenue when received because most delinquent real property taxes are collected by selling real property for taxes, together with all fees, penalties and damages accruing until date of sale, before the close of the fiscal year.

The remaining amount of real property not sold for taxes at the tax sale is considered immaterial; therefore, no end of year delinquent taxes receivable is recorded. The amount of delinquent personal property taxes unpaid at year-end is also considered immaterial.

The rates are expressed in terms of mills (i.e. ten mills equal one cent). The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt and other purposes for the year ended September 30, 2015 was 34.00 mills or \$34.00 per \$1,000 of assessed valuation.

State law requires the municipality to exercise its taxing authority for the benefit of other governing authorities, which are not a part of the reporting entity. As provided, the municipality must levy specified ad valorem taxes as directed by the other governing authority and turn all proceeds over to it. Accordingly, taxes for the Gulfport School District are also billed and collected by the County and remitted to the City for disbursement to the School District.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 3: PROPERTY, GAMING, SALES AND LEASE REVENUES (Continued)

Ad valorem taxes collected and settled in accordance with this legal requirement are not recognized as revenues and expenditures of the municipality. The tax levies noted below with respect to the school funds were made in accordance with this legal requirement.

(B) Gaming Tax Revenues

In the early part of 1992, the citizens of Harrison County voted to allow dockside casino gaming as defined by the Mississippi Gaming Control Act of 1990. In May of 1993, the first casino opened in Gulfport. As of September 30, 2015 one casino was operating within the City. Gaming activities are taxed in a variety of ways. The State of Mississippi levies a sliding scale tax on gross gaming revenue, of which Harrison County and the City receive .4 to .8 percent. This tax is divided: 63% to the County and 37% to the City. The allocation is based upon the population demographics of the last official census. In addition to the State tax, the City, through local ordinance in accordance with State law, levies an additional 3.2% tax on gross gaming revenues. This tax is distributed as follows: 60% to the City (20% of which is designated for public safety); 20% to the Gulfport Public Schools; 10% to Harrison County for public safety; and 10% to Harrison County schools. In addition to the taxes on gross gaming revenue, the State, City and County annually receive licensing fees and permits from each casino for each gaming device. Total gaming revenue of \$3,656,859 was reported in the General Fund which consists of \$3,450,659 in gaming revenues and \$206,200 of gaming license fees for the year ended September 30, 2015.

(C) Sales Tax Revenues

The State levies a 7% sales tax on retail sales and remits 18.5% of the amount collected (within the corporate boundaries of the City of Gulfport) back to the City monthly. Sales tax revenue reported in the General Fund as of September 30, 2015, was \$20,523,996.

(D) Lease Revenue (Operating Leases)

The Gulfport Redevelopment Commission leases property and certain facilities to various tenants within its development sites. The majority of these leases are non-cancelable operating leases. Property leased by the Commission recorded in capital assets is as follows at September 30, 2015:

	Cost	Accumulated Depreciation	Net Value
Land	\$ 18,759,786	-	18,759,786
Buildings and Improvements	5,105,150	762,367	4,342,783
	<u>\$ 23,864,936</u>	<u>762,367</u>	<u>23,102,569</u>

Future minimum rentals for the more significant non-cancelable leases, not including contingent rentals, are as follows at September 30, 2015:

Year Ended September 30,	Amount
2016	\$ 130,300
2017	130,300
2018	132,669
2019	135,899
2020	139,435
Thereafter	3,533,389
	<u>\$ 4,201,992</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 3: PROPERTY, GAMING, SALES AND LEASE REVENUES (Continued)

(D) Lease Revenue (Operating Leases)- Continued

The minimum future rentals for these leases were determined using the rates in effect at September 30, 2015, and do not consider renewal options which may be available for certain lease contracts. Income under this portion of the leases is not included in future minimum rental amounts. Rental income for the year ended September 30, 2015 received through all leases was \$253,475.

Subsequent to year end, Gulfport Redevelopment Commission terminated a lease with a tenant included in future minimum rentals noted above. See Note 18 for additional details.

NOTE 4: CASH AND OTHER DEPOSITS AND INVESTMENTS

(A) Cash and Other Deposits

The City maintains a cash and investment pool for use by all funds except the Proprietary funds – governmental-type activities and Fiduciary Funds which either maintain a separate account or have investments held separately by a trustee.

At September 30, 2015, the carrying amount of the City's deposits was \$41,872,993 and the bank balance was \$42,475,803. The difference represents outstanding checks and other reconciling items.

A summary of Cash and Cash Equivalents at September 30, 2015 is as follows:

	Invested in Sweep Account		Non-pooled		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
Governmental funds:					
Major funds:					
General	\$ 4,907,280	\$ -	\$ 3,520	\$ 160,512	\$ 5,071,312
Capital Projects	-	13,744,426	-	-	13,744,426
Non-major funds	944,263	584,033	150	-	1,528,446
Total governmental funds	5,851,543	14,328,459	3,670	160,512	20,344,184
Proprietary funds:					
Business-type activities:					
Water and Sewer	757,217	13,801,921	939,306	3,119,605	18,618,049
Joseph T. Jones Park	-	4,150	1,840	-	5,990
Gulfport Redevelopment Comm.	-	-	99,196	-	99,196
Total business-type	757,217	13,806,071	1,040,342	3,119,605	18,723,235
Governmental-type activities:					
Claims Contingency	-	-	2,488,468	-	2,488,468
Total proprietary funds	757,217	13,806,071	3,528,810	3,119,605	21,211,703
Fiduciary funds	-	-	-	317,106	317,106
Total cash and cash equivalents	\$ 6,608,760	\$ 28,134,530	\$ 3,532,480	\$ 3,597,223	\$ 41,872,993

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CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 4: CASH AND OTHER DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

The Mississippi State Treasurer manages that risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. The collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of a failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace public deposits not covered by the Federal Depositary Insurance Corporation. As of September 30, 2015, none of the City's bank balance of \$42,475,803 was exposed to custodial credit risk.

(B) Investments

At September 30, 2015, the City's surplus funds that were not invested in overnight sweep repurchase agreements (considered short term and reported above as cash) were invested in Hancock Horizon Government Money Market Mutual Funds. A summary of the City's investments at September 30, 2015, is as follows:

	<u>Rate of Interest</u>	<u>Amount</u>
Business-type activities:		
Hancock Horizon Government		
Money Market Mutual	N/A	\$ 950,611

Custodial Credit Risk – Investments - The custodial credit for investments is the risk that, in the event of the failures of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis.

Securities are to be held by a third party custodian. The investment in the Hancock Horizon Government Money Market Mutual fund is uninsured and unregistered and is not backed by the full faith and credit of the federal government, however are made up exclusively of short-term U. S. Government Securities.

Credit Risk – Investments - Generally, credit risk is the risk that issuers of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations (NRSROs). A disclosure 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.

CITY OF GULFPORT, MISSISSIPPI

Notes to the Basic Financial Statements

For the Year Ended September 30, 2015

NOTE 5: RECEIVABLES

The Statement of Net Position includes the following receivables at September 30, 2015:

Taxes receivable:	
Property taxes	\$ 23,514,168
Sales taxes	3,326,332
Franchise taxes	1,140,593
Gaming fees	276,284
Total taxes receivable	<u>\$ 28,257,377</u>
Court fines receivable:	\$ 18,136,325
Less: allowance for doubtful accounts	(14,523,194)
Total court fines receivable, net	<u>\$ 3,613,131</u>
Customer accounts receivable	
Customer utility charges (billed)	\$ 9,308,714
Customer utility charges, earned but unbilled	1,684,105
Harbor berth rentals	3,843
Gulfport Redevelopment Commission leases	277,245
Less: allowance for doubtful accounts	(6,840,034)
Total accounts receivable, net	<u>\$ 4,433,873</u>
Due from other governments:	
Federal	\$ 4,392,345
State	251,955
Total due from other governments	<u>\$ 4,644,300</u>

The governmental funds reported *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Funds also report *unearned revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *deferred inflows of resources* were reported in the governmental funds in the amount of \$23,330,702 for property tax assessments not yet due and \$3,613,131 for court fines receivable, respectively. At the end of the current fiscal year, *unearned revenue* in the amount of \$390,247 was reported in the governmental funds.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 6: INTER-FUND TRANSACTIONS AND BALANCES

Government-wide Financial Statements

Internal Balances

At September 30, 2015, the City had the following internal balances:

Receivable	Payable	Amount
Governmental Activities	Business-type Activities	\$
		649,701

These amounts are shown as a netted amount of short-term loans between governmental and business-type activities. These loans are temporary in nature, bear no interest, and are considered "available spendable resources."

Fund Financial Statements

The following is a summary of inter-fund balances at September 30, 2015:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major Funds	\$ 605,893
	Joseph T. Jones Park Fund	253,860
Capital Projects Fund	Water & Sewer Fund	88,801
Non-major Governmental Funds	Water & Sewer Fund	724,477
	General Fund	13,935
Internal Service Funds	General Fund	436,206
Water & Sewer Fund	General Fund	417,437
		<u>\$ 2,540,609</u>

Various Funds have made short-term advances to other funds. These advances, shown as "Due from Other Funds", are temporary in nature, bear no interest, and are considered "available spendable resources".

B. Transfers In/Out:

In addition to the above inter-fund loans, the following transfers were made between funds during the year ended September 30, 2015:

Transfers In	Transfers Out	Amount
General Fund	Capital Projects Fund	\$ 401,891
Non-major Governmental Funds	Capital Projects Fund	179,667
Total		<u>\$ 581,558</u>

The City transfers funds from the Capital Projects fund to pay for grant matching requirements and other costs incurred that are originally paid for out of the General fund and other funds.

CITY OF GULFPORT, MISSISSIPPI

Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 7: CAPITAL ASSETS

A. Capital Asset Activity

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

	Balance October 1	Additions	Deletions	Adjustments	Balance September 30
<u>Governmental Activities</u>					
Non-depreciable capital assets:					
Land	\$ 32,737,685	\$ 833,293	\$ -	\$ (5,326,914)	\$ 28,244,064
Construction in progress	22,070,058	8,175,928	(6,627,644)	(5,458,778)	18,159,564
Total non-depreciable capital assets	<u>54,807,743</u>	<u>9,009,221</u>	<u>(6,627,644)</u>	<u>(10,785,692)</u>	<u>46,403,628</u>
Depreciable capital assets:					
Buildings	77,266,862	1,117,928	(435,000)	(1,045,910)	76,903,880
Improvements other than buildings	19,144,387	160,345	(21,873)	10,046,473	29,329,332
Infrastructure	263,755,152	6,487,593	-	88,999	270,331,744
Machinery & equipment	8,996,425	1,180,798	(404,458)	(219,104)	9,553,661
Vehicles	16,438,791	750,363	(1,213,551)	(33,139)	15,942,464
Equipment under capital leases	-	1,910,117	-	245,219	2,155,336
Total depreciable capital assets	<u>385,601,617</u>	<u>11,607,144</u>	<u>(2,074,882)</u>	<u>9,082,538</u>	<u>404,216,417</u>
Less accumulated depreciated for:					
Buildings	13,068,328	1,520,245	(54,634)	(367,525)	14,166,414
Improvements other than buildings	4,009,485	816,614	(17,818)	5,579,696	10,387,977
Infrastructure	91,354,734	3,388,857	-	-	94,743,591
Machinery & equipment	6,907,466	458,885	(366,045)	(46,641)	6,953,665
Vehicles	12,478,125	512,130	(1,051,756)	(36,232)	11,902,267
Equipment under capital leases	-	119,893	-	71,568	191,461
Total accumulated depreciation	<u>127,818,138</u>	<u>6,816,624</u>	<u>(1,490,253)</u>	<u>5,200,866</u>	<u>138,345,375</u>
Depreciable capital assets, net	<u>257,783,479</u>	<u>4,790,520</u>	<u>(584,629)</u>	<u>3,881,672</u>	<u>265,871,042</u>
Governmental activities capital assets, net	<u>\$ 312,591,222</u>	<u>\$ 13,799,741</u>	<u>\$ (7,212,273)</u>	<u>\$ (6,904,020)</u>	<u>\$ 312,274,670</u>

The depreciation expense was charged as a direct expense to programs of the primary government as follows:

General government	\$ 723,652
Public safety	885,184
Public works	3,597,326
Culture and recreation	1,610,307
Economic Development	155
Total governmental activities depreciation expense	<u>\$ 6,816,624</u>

CITY OF GULFPORT, MISSISSIPPI

Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 7: CAPITAL ASSETS (Continued)

	Balance October 1	Additions	Deletions	Adjustments	Balance September 30
<u>Business-type Activities</u>					
Non-depreciable capital assets:					
Land	\$ 16,917,841	\$ 9,456,535	\$ -	\$ 769,008	\$ 27,143,384
Construction in progress	3,596,474	897,913	(4,001,345)	315,803	808,845
Total non-depreciable capital assets	<u>20,514,315</u>	<u>10,354,448</u>	<u>(4,001,345)</u>	<u>1,084,811</u>	<u>27,952,229</u>
Depreciable capital assets:					
Buildings	6,021,949	1,133,390	-	440,462	7,595,801
Improvements and infrastructure	274,571,612	4,131,828	-	330	278,703,770
Machinery & equipment	3,225,850	39,062	(106,678)	(584,713)	2,573,521
Vehicles	2,740,663	-	-	149,686	2,890,349
Equipment under capital leases	-	-	-	494,418	494,418
Total depreciable capital assets	<u>286,560,074</u>	<u>5,304,280</u>	<u>(106,678)</u>	<u>500,183</u>	<u>292,257,859</u>
Less accumulated depreciated for:					
Buildings	701,727	338,297	-	149,966	1,189,990
Improvements and infrastructure	59,919,982	5,565,398	-	(32,407)	65,452,973
Machinery & equipment	1,673,763	128,807	(56,678)	(97,964)	1,647,928
Vehicles	2,402,002	78,694	-	71,564	2,552,260
Equipment under capital leases	-	71,316	-	82,608	153,924
Total accumulated depreciation	<u>64,697,474</u>	<u>6,182,512</u>	<u>(56,678)</u>	<u>173,767</u>	<u>70,997,075</u>
Depreciable capital assets, net	<u>221,862,600</u>	<u>(878,232)</u>	<u>(50,000)</u>	<u>326,416</u>	<u>221,260,784</u>
Business-type activities capital assets, net	<u>\$ 242,376,915</u>	<u>\$ 9,476,216</u>	<u>\$ (4,051,345)</u>	<u>\$ 1,411,227</u>	<u>\$ 249,213,013</u>

The depreciation expense was charged as a direct expense to programs of the primary government as follows:

Water and sewer	\$ 5,327,100
Joseph T. Jones Memorial Park	568,754
Gulfport Redevelopment Commission	286,658
Total business-type activities depreciation expense	<u>\$ 6,182,512</u>

B. Net Investment in Capital Assets/Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 28,244,064	\$ 27,143,384
Construction in progress	18,159,564	808,845
Other capital assets, net of accumulated depreciation	265,871,042	221,260,784
Less: related long-term debt outstanding	(42,301,594)	(84,660,937)
	<u>\$ 269,973,076</u>	<u>\$ 164,552,076</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 8: LEASES

(A) Capital Leases

In prior fiscal years, the City has obtained lease financing for the purchase of computer equipment and other machinery and equipment. In April 2015, the City obtained lease financing for the purchase of five fire trucks with accessories. Title to the assets is held in the name of the City and the banks as lien holder. The City insures the assets and accounts for the leasing arrangements. The following is a schedule of the City's capital leases as of September 30, 2015:

	Stated Interest Rate	Present Value of Remaining Payments as of September 30, 2015
Governmental activities:		
Computer equipment	1.81%	\$ 610,360
Fire trucks	3.00%	<u>1,857,512</u>
Total governmental activities		<u>2,467,872</u>
Business-type activities:		
Excavator	1.85%	106,836
Backhoe	2.24%	51,681
Pumps	7.27%	35,831
Dump Truck	3.03%	<u>58,513</u>
Total business-type activities:		<u>252,861</u>
Total capital lease obligations		<u>\$ 2,720,733</u>

Equipment and related accumulated amortization under capital lease are as follows:

Governmental activities:	
Computer equipment	\$ 245,219
Fire trucks	1,910,117
Less: accumulated amortization	<u>(191,461)</u>
Net value	<u>\$ 1,963,875</u>
Business-type activities:	
Excavator	\$ 180,375
Backhoe	86,585
Pumps	108,927
Dump Truck	118,531
Less: accumulated amortization	<u>(153,294)</u>
Net value	<u>\$ 341,124</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 8: LEASES (Continued)

As of September 30, 2015, capital lease annual amortizations are as follows:

Year Ended September 30,	Governmental activities	Business-type activities
2016	\$ 358,527	\$ 133,790
2017	358,507	94,018
2018	358,507	32,400
2019	206,628	-
2020	163,115	-
2021-2025	815,555	-
2026-2029	652,461	-
Less: interest	(445,428)	(7,347)
Present value of remaining payments	\$ 2,467,872	\$ 252,861

Amortization of leased equipment under capital assets is included with depreciation expense.

(B) Operating Leases

The City is committed under various non-cancelable operating leases, primarily for machinery and equipment (principally in the General Fund). Future minimum operating lease commitments are as follows:

Year ending September 30,	
2016	\$ 89,199
2017	89,199
2018	39,136
	<u>\$ 217,534</u>

NOTE 9: LONG-TERM DEBT

The following schedule reflects the debt transactions for governmental activities for the year ended September 30, 2015:

<u>Governmental Activities</u>	<u>Payable at October 1</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Payable at September 30</u>	<u>Principal Due in One Year</u>
General obligation bonds	\$ 16,840,000	\$ 16,000,000	\$ 2,082,800	\$ 30,757,200	\$ 2,752,200
Limited obligation bond	480,000	-	25,000	455,000	15,000
Special obligation bonds	8,230,000	-	925,000	7,305,000	955,000
Capital leases payable	793,191	1,910,117	235,436	2,467,872	293,883
Compensated absences payable	2,128,660	952,502	930,618	2,150,544	-
Claims and judgments	30,000	-	1,000	29,000	-
	<u>28,501,851</u>	<u>18,862,619</u>	<u>4,199,854</u>	<u>43,164,616</u>	<u>4,016,083</u>
Plus bond premium	1,735,125	-	158,718	1,576,407	-
Total governmental activities	<u>\$ 30,236,976</u>	<u>\$ 18,862,619</u>	<u>\$ 4,358,572</u>	<u>\$ 44,741,023</u>	<u>\$ 4,016,083</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 9: LONG-TERM DEBT (Continued)

The following schedule reflects the debt transactions for business-type activities for the year ended September 30, 2015:

Business-type Activities	Payable at October 1	Additions	Principal Reductions	Payable at September 30	Principal Due in One Year
General obligation bonds payable	\$ 9,620,000	\$ 32,465,000	\$ 1,832,200	\$ 40,252,800	\$ 4,727,800
Special obligation bonds payable	32,520,000	-	21,820,000	10,700,000	-
Notes payable	23,379,820	11,438,246	2,302,016	32,516,050	12,533,733
Capital leases payable	379,832	-	126,971	252,861	128,481
Compensated absences	52,185	64,325	65,992	50,518	-
	65,951,837	43,967,571	26,147,179	83,772,229	17,390,014
Plus bond premium	2,441,192	3,004,300	2,853,882	2,591,610	-
Total business type activities	68,393,029	46,971,871	29,001,061	86,363,839	17,390,014
Total government - wide	<u>\$ 98,630,005</u>	<u>\$ 65,834,490</u>	<u>\$ 33,359,633</u>	<u>\$131,104,862</u>	<u>\$ 21,406,097</u>

(1) General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

In December 2014, the City issued \$30,000,000 of general obligation bonds with interest rates varying between 1.5-3.4% to fund various capital projects throughout the City. \$16,000,000 of this general obligation bond project was used for governmental related projects and \$14,000,000 was used to fund water and sewer related projects.

General obligation bonds generally are issued as serial bonds with certain amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Interest Rate	Outstanding Amount	Due in one year
Governmental Activities:					
GO Refunding Issue	\$ 15,025,000	9/10/2014	2.0-5.0%	\$ 14,042,200	\$ 1,348,200
GO Refunding Issue	6,160,000	8/5/2004	2.0-4.05%	715,000	715,000
GO Public Improvement	16,000,000	12/18/2014	1.5-3.4%	16,000,000	689,000
Total governmental activities	<u>\$ 37,185,000</u>			<u>\$ 30,757,200</u>	<u>\$ 2,752,200</u>
Business-type Activities:					
GO Refunding Issue	\$ 2,850,000	9/10/2014	2-5%	\$ 2,662,800	\$ 256,800
GO Refunding Issue	3,810,000	12/2/2004	3-3.85%	945,000	470,000
GO Revenue	9,500,000	6/1/2009	3.34%	4,180,000	995,000
GO Revenue	14,000,000	12/18/2014	1.5-3.4%	14,000,000	611,000
GO Refunding Issue	18,465,000	6/30/2015	2.-5%	18,465,000	2,395,000
Total business-type activities	<u>\$ 48,625,000</u>			<u>\$ 40,252,800</u>	<u>\$ 4,727,800</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 9: LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended September 30,	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 2,752,200	\$ 1,062,936	\$ 4,727,800	\$ 1,492,754	\$ 10,035,690
2017	2,098,600	988,984	4,816,400	1,372,400	9,276,384
2018	2,191,500	904,260	4,538,500	1,181,405	8,815,665
2019	1,894,600	829,075	4,665,400	992,386	8,381,461
2020	1,945,000	758,966	3,815,000	795,447	7,314,413
2021-2025	10,098,800	2,534,930	8,726,200	2,161,046	23,520,976
2026-2030	6,306,500	1,011,923	5,933,500	916,094	14,168,017
2031-2035	3,470,000	263,211	3,030,000	233,414	6,996,625
	<u>\$ 30,757,200</u>	<u>\$ 8,354,285</u>	<u>\$ 40,252,800</u>	<u>\$ 9,144,946</u>	<u>\$ 88,509,231</u>

Prior year defeasance of debt

The City has at various times entered into advance refunding transactions related to certain issues of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in trust and used to purchase securities to meet all debt service requirements of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts were not included in the accompanying financial statements as the City defeased its obligations for payment of the refunded debt upon completion of the refunding transactions.

At September 30, 2015, refunded bond issues and the related principal payable from escrow is as follows:

<u>Bond Issue</u>	<u>Principal Balance</u>
2000 MDB Promissory Note	\$ 2,590,000
2001 MDB Promissory Note	1,085,000
1998 Refunded Bonds	1,760,000
2003 Refunded Bonds	2,795,000
2005 Refunded Water and Sewer Bonds	3,160,000
2007 Refunded Bonds	7,485,000
Total	<u>\$ 18,875,000</u>

(2) Limited Obligation Bond

The City issued tax increment financing bonds to encourage economic development of certain areas of the City. The original amount of tax increment financing bonds issued in the prior year was \$455,000. This bond has an interest rate of 4.0% with principal maturing September 2034.

The principal and interest on tax increment financing bonds are paid from the increase in sales tax revenue that is generated from the developed area. These bonds are generally issued as 10 or 20 year serial bonds with varying amounts of principal maturing each year. Tax increment financing bonds outstanding as of September 30, 2015 are as follows:

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 9: LONG-TERM DEBT (Continued)

	Original Amount	Issue Date	Interest Rate	Oustanding Amount	Due in one year
TIF Bond	\$ 480,000	9/23/2014	4.00%	\$ 455,000	\$ 15,000

Annual debt service requirements to maturity for tax increment financing bonds are as follows:

Year ended September 30,	Principal	Interest	Total
2016	\$ 15,000	\$ 18,200	\$ 33,200
2017	15,000	17,600	32,600
2018	20,000	17,000	37,000
2019	20,000	16,200	36,200
2020	20,000	15,400	35,400
2021-2025	110,000	64,800	174,800
2026-2030	130,000	41,000	171,000
2031-2035	125,000	12,800	137,800
	<u>\$ 455,000</u>	<u>\$ 203,000</u>	<u>\$ 658,000</u>

(3) Special Obligation Bonds

The City issued special obligation bonds to provide funding for various capital improvement projects. The notes are also direct obligations of the City and pledge the full faith and credit of the City. Special obligation bonds currently outstanding are as follows:

	Original Amount	Issue Date	Oustanding Amount	Due in one year
<u>Governmental Activities:</u>				
SO Refunding - Public Improvement Paving	\$ 10,000,000	7/19/2012	\$ 7,305,000	\$ 955,000
<u>Business-type Activities:</u>				
SO Refunding	\$ 47,565,000	4/7/2005	\$ 10,700,000	\$ -

Annual debt service requirements to maturity for special obligation bonds are as follows:

Year ended September 30,	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2016	\$ 955,000	\$ 209,600	\$ -	\$ 561,750	\$ 1,726,350
2017	980,000	190,500	-	561,750	1,732,250
2018	1,010,000	161,100	-	561,750	1,732,850
2019	1,040,000	130,800	-	561,750	1,732,550
2020	1,075,000	99,600	-	561,750	1,736,350
2021-2025	2,245,000	101,550	10,700,000	1,704,413	14,750,963
	<u>\$ 7,305,000</u>	<u>\$ 893,150</u>	<u>\$ 10,700,000</u>	<u>\$ 4,513,163</u>	<u>\$ 23,411,313</u>

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CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 9: LONG-TERM DEBT (Continued)

(4) Notes Payable

State Revolving Loans

The City is currently participating in the State Revolving Loan Program to provide funds for water and sewer system upgrades and improvements. These loans are granted with a 20 year maturity with equal amounts of principal maturing each year. The interest rates on these loans are 1.75%.

Gulfport Redevelopment Commission – Line of Credit

On December 17, 2014, Gulfport Redevelopment Commission (GRC) entered into a line of credit arrangement with BancorpSouth Bank, which carries a maximum possible balance of \$14,000,000. This loan has an interest rate of 3.25%. As September 30, 2015, GRC has drawn down \$10,838,246 of the loan balance. Amounts drawn down from this line of credit were used to pay off two outstanding loans of \$200,000 each taken out on November 6, 2014 and December 1, 2014, respectively. Collateral used to secure the loan is the assignment of ground lease agreements between the City of Gulfport and Southern All Metals Recycling, Inc. and Centennial Plaza, LLC and is guaranteed by the City of Gulfport.

Annual debt service requirements for the notes are as follows:

Year ended September 30,	Principal	Interest	Total
2016	\$ 12,533,733	\$ 541,928	\$ 13,075,661
2017	1,725,397	335,896	2,061,293
2018	1,755,834	305,457	2,061,291
2019	1,786,811	274,482	2,061,293
2020	1,818,331	242,961	2,061,292
2021-2025	9,315,739	723,940	10,039,679
2026-2028	3,580,205	70,427	3,650,632
	<u>\$ 32,516,050</u>	<u>\$ 2,495,091</u>	<u>\$ 35,011,141</u>

(5) Compensated Absences

The City's policies relative to compensated absences, method of computing accrued liabilities and reporting are discussed at Note 1. The General Fund and the Water & Sewer Fund has been primarily used in prior years to liquidate the liability for compensated absences.

(6) Claims and Judgments

The City has a commitment to pay life insurance benefits of \$1,000 upon the death of each retiree included in the Firemen's and Policemen's Disability and Relief Plan. The City elected to cancel its insurance policy covering such claims and self-insure these benefits. As a result, a total of \$85,000 was recorded for the 85 remaining retirees receiving benefits effective October 1, 1992. As of September 30, 2015, a total of 29 retirees and employees remain covered under the system. Accordingly, a liability in the amount of \$29,000 has been included in the General Long-Term Debt at September 30, 2015. None of the liability for these benefits is estimated to be paid within one year.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 9: LONG-TERM DEBT (Continued)

(7) Legal Debt Margin

Legal Debt Margin - The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding general obligation bonded debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a city issues bonds to repair or replace washed out or collapsed bridges on the public roads of the city. As of September 30, 2015, the amount of outstanding general obligation bonded debt was equal to 4.25% of the latest property assessments.

Mississippi law limits the amount of general obligation debt a municipality may issue to 15% of total assessed valuation. Gulfport's total assessed valuation is \$723,801,964; therefore, the 15% limitation equals: \$108,570,295; less GO Bonds outstanding of \$30,757,200, leaving a margin for further debt issuance of \$77,813,095.

(8) No-Commitment Debt

The City authorized the issuance of \$13,900,000 of Hospital Revenue Bonds in 1988, \$17,725,000 of Hospital Revenue Refunding Bonds in 1989 and \$60,000,000 of Hospital Revenue Bonds in 2001. The Series 1994A and 1994B Hospital Revenue Refunding and Improvement Bonds were issued in 1994 to refund the 1988 and 1989 bonds and provide financing for expansion. The 2001 bonds were issued to provide financing for construction. As of September 30, 2008, the aggregate outstanding balance for the Hospital Revenue Refunding Bonds net of unamortized discount was \$70,497,128. These bonds do not constitute a liability of the City, are not a charge against its general credit or taxing powers and, accordingly, are not included in the City's General Long-Term Debt. However, as more fully discussed at Note 14, Memorial Hospital at Gulfport is a joint venture of the City and Harrison County.

NOTE 10: FUND BALANCE DESIGNATIONS

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balance as follows:

Non-spendable – amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints. The City has no non-spendable fund balances as of September 30, 2015.

Restricted – amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions or enabling legislation.

Committed – amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. The City has no committed fund balances as of September 30, 2015.

Assigned – amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or by an official or body to which the City Council delegates authority. The City has no assigned fund balances as of September 30, 2015.

Unassigned – amounts which include positive fund balances of the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 10: FUND BALANCE DESIGNATIONS (Continued)

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

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

NOTE 11: UNEMPLOYMENT COMPENSATION FUND

In accordance with Mississippi Code Section 71-5-359(f), the City has obtained a surety bond and posted this bond with the Mississippi Employment Security Commission in lieu of maintaining a cash reserve.

NOTE 12: RISK MANAGEMENT

(A) Description

The City's risk management activities are recorded in the Claims Contingency Fund and the Group Life and Health Fund. The purpose of these funds is to administer general liability, police professional liability, automobile and property liability, workers' compensation, employee life, and employee health insurance programs of the City on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City.

In compliance with the Tort Claims Act, Chapter 46 of Title 11 and as amended by the 1993 Legislature, Section 11-46-17(3) requires all municipalities from and after October 1, 1993, to obtain such policies of insurance, establish self-insurance reserves, or provide a combination of insurance and reserves necessary to cover all risks of claims and suits for which a municipality may be liable under the Tort Claims Act. In order to assure compliance with the Tort Claims Act, House Bill 417 established the Mississippi Tort Claims Board. Municipalities are required to submit plans of insurance, self-insurance and or reserves to the Tort Claims Board for approval.

The City is in compliance with the above by providing a combination of insurance and reserves for its tort liabilities, as well as for all of its other risk management activities. A description of these programs is included below.

Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The following summary reflects the City's insurance coverage and self-insured risk retention (SIR):

Workers' Compensation

Per occurrence deductible (SIR)	\$ 750,000
Annual aggregate risk of loss through deductibles	\$ 2,920,998
Specific excess coverage in force	Statutory

Employee Health Insurance

Per occurrence deductible (SIR)	\$ 150,000
Annual aggregate risk of loss through deductibles	No Limit

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 12: RISK MANAGEMENT (Continued)

General and Other Liability Coverage

Per occurrence deductible (SIR)	\$ 100,000
Annual aggregate risk of loss through deductibles	\$ 700,000
MS statutory cap	\$ 500,000
Specific excess coverage in force	
General liability, Employee benefit plan liability	\$ 1 million / occurrence; \$3 million aggregate
Professional liability	\$ 2 million / occurrence; \$4 million aggregate
Automobile, Garagekeepers liability	\$1 million / \$250,000
CyberFirst liability	\$1 million aggregate

Property Coverage

Named windstorm	5% per location
All other wind	\$ 50,000
All other perils	\$ 50,000 / occurrence
Wind on water towers	No coverage
Specific excess coverage in force	
Buildings	\$ 89,018,352
Contents	\$ 5,041,775
Signs	\$ 768,400

(B) Claims Liability

The City records an estimated liability for employee health care, workers' compensation, torts, and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

(C) Unpaid Claims Liabilities

The funds establish a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the City from October 1, 2013 to September 30, 2015:

	<u>Claims Contingency</u>	<u>Group Health and Life</u>
Liability balance, October 1, 2013	\$ 2,410,000	\$ 233,123
Claims and changes in estimates	1,296,892	5,519,994
Claims payments	<u>(1,166,892)</u>	<u>(5,682,563)</u>
Liability balance, September 30, 2014	2,540,000	70,554
Claims and changes in estimates	1,381,174	8,577,843
Claims payments	<u>(1,181,066)</u>	<u>(7,411,144)</u>
Liability balance, September 30, 2015	<u>\$ 2,740,108</u>	<u>\$ 1,237,253</u>
Assets available to pay claims		
at September 30, 2015	<u>\$ 2,615,116</u>	<u>\$ 301,206</u>

The City's third-party claims administrator develops the City's reserves, including estimates for claims incurred but not reported. Administrative officials have reviewed the reserve estimates and consider them fairly stated. Additionally, the liability has been actuarially evaluated and found to be reasonable.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 13: OTHER COMMITMENTS AND CONTINGENCIES

(A) Federal Grants

In the normal course of operations, the City receives grant funds from various Federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

Management has determined that any liability for reimbursement, which may arise as the result of these audits, is not believed to be material to the financial statements.

(B) Litigation

The City is party to various legal proceedings, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. In addition, the City currently has approximately \$2,740,108 accrued in the Claims Contingency Fund for pending or threatened litigation for which unfavorable outcome is considered probable. See Note 12 for treatment of claims incurred but not reported and other tort liability information.

(C) Contract Commitments

Construction Contracts - The following significant contracts were outstanding at September 30, 2015:

	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
28th Street Widening (TEA21)	\$ 4,160,118	\$ 870,199	\$ 3,289,919
Court Case Software	142,900	70,697	72,203
Courthouse Improvements	262,611	148,923	113,688
Creosote Rd /Three Rivers Rd	4,286,174	3,316,779	969,395
Dedeaux Road Widening Phase II	1,755,427	1,695,752	59,675
Downtown Street Scape Enhance	7,353,282	7,298,929	54,353
Fiber Optic Communication	65,050	6,393	58,657
Landon Road Widening	149,471	121,337	28,134
Oakleigh Manor Improvements	196,909	92,199	104,710
Public Safety Software	513,536	411,236	102,300
Pump Station Rehabilitation	191,376	42,682	148,694
Seasonal Light Show at Jones Park	1,332,896	213,680	1,119,216
Seaway Road Widening (TEA 21)-West	4,108,476	1,993,686	2,114,790
Software	187,875	162,841	25,034
Various Culture and Recreation Improvements	146,573	38,310	108,263
Various Drainage Improvement Projects	714,493	552,163	162,330
Various Road Improvement Projects	289,377	140,986	148,391
Various Sewer Improvement Projects	1,329,426	314,369	1,015,057
	<u>\$ 27,185,970</u>	<u>\$ 17,491,161</u>	<u>\$ 9,694,809</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 14: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

I. JOINT VENTURES

(A) Memorial Hospital at Gulfport (MHG)

MHG is an acute care, not-for-profit community hospital jointly owned by the City and the Gulfport-West Harrison County Hospital District. The Board of Trustees of MHG pursuant to section 41-13-15 et seq. Mississippi Code of 1972, as amended operates it. MHG is classified as a joint venture between the City and the Gulfport-West Harrison County Hospital District. The following is a synopsis of MHG's financial statements as of and for the year ended September 30, 2015, a copy of which is on file at the administrative offices of Memorial Hospital located at 4500 13th Street, Gulfport, Mississippi 39501, or may be acquired by calling (228) 865-3078.

**Memorial Hospital at Gulfport
Statement of Net Position**

Assets	
Current assets	\$ 159,557,003
Noncurrent cash and investments	59,191,826
Capital assets, net	215,208,895
Other assets	<u>2,788,459</u>
Total assets	<u>436,746,183</u>
Deferred outflow of resources	<u>3,498,982</u>
Liabilities	
Current liabilities	\$ 49,962,692
Long-term liabilities	<u>118,189,444</u>
Total liabilities	<u>168,152,136</u>
Net position	
Net investment in capital assets	134,988,743
Restricted	21,474,228
Unrestricted	<u>115,630,058</u>
Total net position	<u>\$ 272,093,029</u>

The City has no transactions with MHG that are included in the City's financial statements. All general obligation bonds issued on behalf of Memorial Hospital were paid off during prior fiscal year. See Note 9 (8) for additional information pertaining to conduit debt issued for Memorial Hospital at Gulfport.

(B) Harrison County Wastewater and Solid Waste Management District

The City is a member of the Harrison County Wastewater and Solid Waste Management District (District), which was established by an act of the Mississippi Legislature to provide for adequate wastewater treatment and solid waste disposal services to the citizens of Harrison County, Mississippi. The governing board is comprised of one member from each of the cities and county who are members of the District. Through a fifty-year contract, the City is obligated to pay monthly, its pro-rata share of all operating, administrative, and capital costs of the District. Additionally, the City is jointly and severally liable for all of the liabilities of the District. The District is classified as a joint venture between the City and the other members.

The following is a synopsis of the District's financial statements as of and for the year ended September 30, 2015, a complete copy of which is on file at the administrative offices of the District which are located at 14108 Airport Road, Gulfport, Mississippi 39503, or may be obtained by calling (228) 868-8752.

CITY OF GULFPORT, MISSISSIPPI

Notes to the Basic Financial Statements

For the Year Ended September 30, 2015

NOTE 14: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**CONDENSED STATEMENT OF NET POSITION****ASSETS**

Current assets	\$ 11,079,144
Restricted assets	23,124,665
Capital assets, net	277,023,656
Other assets	23,533,760
Total assets	<u>334,761,225</u>

LIABILITIES

Current liabilities	7,949,634
Current liabilities from restricted assets	12,079,579
Long-term liabilities	127,419,668
Total liabilities	<u>147,448,881</u>

NET POSITION

Invested in capital assets, net of related debt	171,490,799
Restricted	18,375,206
Unrestricted	(2,553,661)
Total net assets	<u>187,312,344</u>
Total liabilities and net assets	<u>\$ 334,761,225</u>

**CONDENSED STATEMENT OF REVENUES AND EXPENSES AND
CHANGES IN NET POSITION**

Operating revenue	\$ 21,176,795
Operating expenses	(21,627,071)
Depreciation and amortization	(9,681,485)
Nonoperating revenues, net	8,673,581
Change in net position	<u>\$ (1,458,180)</u>

The following financial information concerning transactions with the District has been included in the City's financial statements under the following captions:

Water and Sewer Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position	
Contractual services (solid waste and wastewater treatment charges)	<u>\$6,564,938</u>

II. JOINTLY GOVERNED ORGANIZATIONS**(A) Gulfport-Biloxi Regional Airport Authority**

The Gulfport-Biloxi Regional Airport Authority was chartered on August 25, 1977, and assumed control of the Airport on October 1, 1977. The authority is comprised of one appointee each from the local governmental units of the City of Gulfport, the City of Biloxi, and Harrison County. These governmental units have agreed to subsidize the Airport annually, if necessary. During the past fiscal year, the City did not provide any funding to the Gulfport-Biloxi Regional Airport.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 14: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

(B) Harrison County Library System

On May 18, 1976, the City entered into an agreement with the Board of Trustees of the Biloxi Public Library, the City of Gulfport, the Board of Supervisors of Harrison County, the Board of Trustees of the Gulfport-Harrison County Library, the City of Pass Christian, and the Board of Trustees of the Pass Christian Public Library to mutually cooperate in securing a more economical public library system through combined resources, interests, materials and facilities to be known as the Harrison County Library System. There are no specific monetary terms in the agreement and the City has no equity interest in the organization. However, a budget is approved every year by the County Library Board, which stipulates the amount of funds needed from the participating municipalities and various other funding sources. The City contributed \$325,000 for the year ended September 30, 2015. The amount budgeted for the City for the fiscal year ended September 30, 2016 is \$350,000. This agreement is cancelable upon 60 days written notice prior to the end of the fiscal year and therefore, the City does not have an ongoing financial responsibility.

NOTE 15: RETIREMENT PLANS

1. Defined Benefit Pension Plans

The City participates in two retirement systems administered by the Public Employees' Retirement System of Mississippi (PERS). Both systems are defined benefit plans and include a multi-employer; cost-sharing pension plan and an agent multi-employer pension plan as described below:

General Information about the Pension Plans

(A) Public Employees' Retirement System

Plan Description. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the 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.

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public Cities. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 15: RETIREMENT PLANS (Continued)

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007).

PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. 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 employer's rate as of September 30, 2015, was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

(B) Municipal Retirement Systems

The City contributes to the Municipal Retirement Systems' Fire and Police Disability and Relief Funds (MRS), an agent multiple-employer defined benefit pension plan administered by the Public Employees' Retirement System of Mississippi. MRS provides retirement and disability benefits and death benefits to plan members and beneficiaries. At June 30, 2015, the date of the most recent actuarial verification available, the MRS are composed of 19 separate municipal retirement and fire and police disability and relief systems. Benefit provisions are established by Section 21-29, Articles 1,3,5,7, Mississippi Code Annotated (1972), and annual local and private legislation and may be amended only by the State of Mississippi Legislature.

Membership in the Fire and Police Disability and Relief Systems was granted to all City uniformed police officers and fire fighters who were not already members of PERS and who were hired prior to July 1, 1976. Employees hired after July 1, 1976 automatically become members of PERS. MRS was fully closed to new members July 1, 1976. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions.

Participating employees who retire regardless of age with at least 20 years of credited service are entitled to an annual retirement allowance payable monthly for life, in an amount equal to 50 percent of their average monthly compensation and an additional 1.7 percent for each year of credited service over 20 years not to exceed 66-2/3 percent of average monthly compensation.

Average monthly compensation is the monthly average for the last six months of service. The City provides a minimum monthly retirement allowance of \$500 under the MRS. Benefits vest upon reaching 20 years of credited service. MRS also provide certain death and disability benefits. Benefit provisions are established by Sections 21-29, Articles 1, 3, 5 and 7, Mississippi Code Annotated (1972) and annual local and private legislation. Statutes may be amended only by the state legislature.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 15: RETIREMENT PLANS (Continued)

Contributions to the plan are based on the value of taxable property adjusted to reflect all property-related contributions, and the millage rates applied to the assessed property. A new funding policy was implemented in February 2011 which extends contributions past 2020. The certified millage rate from the June 30, 2015 valuation is 1.29 mills, therefore, the millage rate effective October 1, 2016, is 1.29 mills.

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

At September 30, 2015, the City reported a liability of \$62,650,933 in the governmental activities and \$2,272,785 in the business-type activities for a total of \$64,923,718 for its proportionate share of the PERS net pension liability. A net pension liability in the amount of \$10,373,951 was reported in the governmental activities for its share of the MRS net pension liability. The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the PERS net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City's proportion was .42 percent. For the year ended September 30, 2015, the City recognized PERS pension expense for governmental activities of \$5,938,010 and \$215,413 for business-type activities. An additional pension expense of \$1,429,624 was reported for the MRS pension in the governmental activities.

Under the MRS pension plan, unfunded liabilities are amortized over a closed 30 year period from with 19 years remaining as of June 30, 2015, as a level percent of the municipality's assessed valuation.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	PERS		MRS	
	Governmental Activities	Business-Type Activities	Governmental Activities	Total
Differences between expected and actual experience	\$ 1,455,547	\$ 52,803	\$ -	\$ 1,508,350
Changes of assumptions	5,397,162	195,793	-	5,592,955
City's contributions subsequent to the measurement date	1,070,404	38,831	111,219	1,220,454
Total	<u>\$ 7,923,113</u>	<u>\$ 287,427</u>	<u>\$ 111,219</u>	<u>\$ 8,321,759</u>

	Deferred Inflows of Resources			
	PERS		MRS	
	Governmental Activities	Business-Type Activities	Governmental Activities	Total
Net difference between projected and actual earnings on pension plan investments	\$ 1,682,704	\$ 61,043	\$ 411,272	\$ 2,155,019
Differences between City contributions and proportionate share on contributions	52,746	1,913	-	54,659
Total	<u>\$ 1,735,450</u>	<u>\$ 62,956</u>	<u>\$ 411,272</u>	<u>\$ 2,209,678</u>

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 15: RETIREMENT PLANS (Continued)

Within the deferred outflows and inflows, a net amount of \$1,220,454 of deferred outflows of resources is related to pensions resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability in the year ended September 30, 2016. Of this amount, \$1,181,623 was contributed for governmental activities and \$38,831 for business-type activities.

Other amounts reported as deferred outflow of resource and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	PERS	MRS	Total
2016	\$ 1,788,883	\$ (102,818)	\$ 1,686,065
2017	1,727,765	(102,818)	1,624,947
2018	836,568	(102,818)	733,750
2019	949,683	(102,818)	846,865
	<u>\$ 5,302,899</u>	<u>\$ (411,272)</u>	<u>\$ 4,891,627</u>

Actuarial assumptions

The total pension liabilities in the June 30, 2015 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	MRS
Inflation	3.5 percent	3.0 percent, compounded annually
Salary increases	4.25-19.50 percent, including inflation	3.75-5.50 percent, including inflation
Investment rate of return	8.00 percent, net of pension plan investment expense, including inflation	7.75 percent, net of pension plan investment expense, including inflation
Assessed property value rate of increase	N/A	2.0% compound annually, used in determining the millage rate under the funding policy

The table for post-retirement mortality rates used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016 with male rates set forward one year. The RP-Disabled Retiree Table set forward five years for males and four years for females, was used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the four year period ending June 30, 2014. The experience report is dated May 4, 2015.

For the PERS pension plan, the long-term expected rate of return on the investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of the plans' investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 15: RETIREMENT PLANS (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Broad	34%	5.20%
International Equity	19%	5.00%
Emerging Markets Equity	8%	5.45%
Fixed Income	20%	0.25%
Real Assets	10%	4.00%
Private Equity	8%	6.15%
Cash	1%	-0.50%
Total	100%	

For the MRS pension plan, the actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. Actuarial value of assets was set equal to the market value on September 30, 2006, and smoothing commenced in 2007. Actuarial assets were allocated to individual cities in the same proportion that their market value of assets was to the total market value of assets for all cities.

Discount rate

The discount rate used to measure the total pension liability for PERS and MRS was 7.75 percent, which was based on the future long-term expected rate of return of 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions for PERS will be made at rates set in the Board's Funding Policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return investments was applied to all periods of projected benefit payments to determine each plan's total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share PERS	\$ 49,465,690	\$ 64,923,718	\$ 80,381,746
City's proportionate share MRS	\$ 12,192,744	\$ 10,373,951	\$ 8,813,936

Pension plan fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS financial reports for PERS and MRS plans which can be obtained at www.pers.ms.gov.

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CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 15: RETIREMENT PLANS (Continued)

Three-year Trend Information

The following table provides the employer contribution to PERS and MRS for the last three fiscal years:

Fiscal years ending	Employer Contributions	
	PERS	MRS
2015	\$ 4,298,859	\$ 975,093
2014	4,064,174	1,023,128
2013	3,817,029	975,100

II. Deferred Compensation Plan

The Mississippi Public Employees' Retirement System (PERS) offers the City's employees voluntary participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, the Plan was amended by the State in accordance with the provisions of IRC Section 457(g). On that date, assets of the Plan were placed in trust by the State for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribe that the assets are no longer subject to the claims of the City's general creditors. Accordingly, the assets and the liabilities for the compensation deferred by plan participants were removed from the City's financial statements during the year ended September 30, 1997. As of September 30, 2015 and 2014, assets held by PERS for participants employed by the City of Gulfport, Mississippi approximated \$5,350,020 and \$5,739,034 respectively.

NOTE 16: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City of Gulfport Insurance Committee administers the City's self-insured medical and dental plan. City retirees may obtain health and dental insurance by participating in a group with active employees. The retirees now pay 100% of their health insurance premiums, therefore the City no longer has a post-employment healthcare benefit reportable under GASB 45 as a single employer defined benefit health care plan.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 17: PRIOR PERIOD ADJUSTMENTS

The following schedule details the adjustments that were made to beginning fund balances and net position:

Description of adjustment	Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Revenues, Expenses and Changes in Net Position - Business- type Activities	Statement of Revenues, Expenses and Changes in Net Position - Government- type Activities	Statement of Activities - Governmental Activities
GASB 68 pension implementation	\$ -	\$ (1,983,392)	\$ -	\$ (66,184,869)
To correct prior year cash balances	(78,955)	-	-	(78,955)
To correct prior year accounts payable	99,219	(125,358)	(360)	(26,138)
To correct prior year intergovernmental receivables	(10,975,674)	-	-	(10,975,674)
To correct prior year sales tax receivable	1,580,312	-	-	1,580,312
To correct prior year court assessments payable	80,243	-	-	80,243
To correct prior year debt	17,426	(219,375)	-	(260,119)
To correct prior year fuel inventory	-	20,750	-	-
To correct prior year compensated absences	-	(1,586)	-	(64,688)
To correct prior year court fines receivable	-	-	-	3,561,859
To correct prior year GRC amounts	-	1,406,562	-	-
To correct prior year capital assets	-	78,823	-	(6,904,020)
	<u>\$ (9,277,429)</u>	<u>\$ (823,576)</u>	<u>\$ (360)</u>	<u>\$ (79,272,049)</u>

NOTE 18: SUBSEQUENT EVENTS

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes.

Management of the City of Gulfport, Mississippi evaluated the activity of the City through June 21, 2016, (the date the financial statements were available to be issued), and determined that the following subsequent events required disclosure in the notes to the financial statements.

On February 18, 2016, the Gulfport Redevelopment Commission closed on the purchase of a parcel of land that was under contract at year end in the total amount of \$641,078. This parcel relates to the aquarium project. Funding for the acquisition was from an advance on the line of credit with BancorpSouth Bank.

During the 2015 legislative session, the State of Mississippi appropriated funds from the proceeds of the issuance of bonds, in an amount not to exceed \$12,000,000 for the aquarium project.

On February 5, 2016, the State of Mississippi Department of Finance and Administration (DFA) entered into a Memorandum of Understanding for the purpose of establishing the conditions under which the DFA may disburse an amount not to exceed \$12,500,000 for the funding of the aquarium project.

On April 19, 2016, the Gulfport Redevelopment Commission entered into a contract for architectural and engineering services for the construction of the aquarium project in the amount of \$5,832,000.

On May 16, 2016, the Gulfport Redevelopment Commission terminated a long term lease on the grounds of non-performance. The terminated lease was for the use of the Former Struthers Site. The future minimum lease payments associated with the terminated lease disclosed in Note 3 are \$2,254,145.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Basic Financial Statements
For the Year Ended September 30, 2015

NOTE 18: SUBSEQUENT EVENTS – Continued

On June 7, 2016, the Gulfport Redevelopment Commission entered into a sixty year lease with Mississippi Coast Entertainment, LP for their use of the Small Craft Harbor Site for the purpose of developing a casino site. Minimum monthly lease payments of \$32,400 will be made to the Gulfport Redevelopment Commission until gaming operations commence. Once gaming operations commence, minimum annual rent will be the greater of \$1,215,000 or 2.43% of gross gaming revenues. The lease includes three renewal options of ten years each.



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REQUIRED SUPPLEMENTAL INFORMATION

CITY OF GULFPORT, MISSISSIPPI
Required Supplemental Information
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget to Actual – Budgetary Basis
General Fund
For the Year Ended September 30, 2015

	<i>General Fund</i>			
	Original Budget	Final Budget	Actual Budget Basis	Variance with final budget
REVENUES				
Taxes:				
Property	\$ 18,000,000	\$ 18,315,301	\$ 18,315,301	\$ -
Sales	20,200,000	20,618,172	20,618,172	-
Gaming fees	3,070,000	3,420,364	3,420,364	-
Licenses, permits and franchise fees	5,200,000	5,420,650	5,420,650	-
Intergovernmental	3,059,000	3,750,844	3,750,844	-
Charges for services/Rents/Leases	2,359,000	2,015,994	2,015,994	-
Court fines	1,897,000	1,487,011	1,487,011	-
Miscellaneous/Other	173,000	59,037	59,037	-
Total revenues	53,958,000	55,087,373	55,087,373	-
EXPENDITURES				
General government				
Personnel services	5,079,949	5,005,984	5,005,984	-
Supplies	179,096	181,074	181,074	-
Other services & charges	2,787,967	2,920,880	2,920,880	-
Capital outlay	264,000	225,802	225,802	-
Total general government	8,311,012	8,333,740	8,333,740	-
Public safety				
Personnel services	24,948,597	25,457,833	25,457,833	-
Supplies	1,763,174	1,613,331	1,613,331	-
Other services & charges	2,589,365	2,872,196	2,872,196	-
Capital outlay	-	67,950	67,950	-
Total public safety	29,301,136	30,011,310	30,011,310	-
Public works				
Personnel services	2,032,169	2,001,869	2,001,869	-
Supplies	1,410,050	1,268,828	1,268,828	-
Other services & charges	5,091,010	4,935,612	4,935,612	-
Capital outlay	-	43,285	43,285	-
Total public works	8,533,229	8,249,594	8,249,594	-
Economic development				
Personnel services	1,741,505	1,818,828	1,818,828	-
Supplies	46,855	35,709	35,709	-
Other services & charges	332,451	188,613	188,613	-
Total economic development	2,120,811	2,043,150	2,043,150	-
Culture and recreation				
Personnel services	3,336,103	3,212,110	3,212,110	-
Supplies	837,091	760,777	760,777	-
Other services & charges	1,944,904	1,957,671	1,957,671	-
Total culture and recreation	6,118,098	5,930,558	5,930,558	-
Total Expenditures	54,384,286	54,568,352	54,568,352	-

The accompanying notes to the Required Supplemental Information
are an integral part of this statement.

CITY OF GULFPORT, MISSISSIPPI
Required Supplemental Information
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget to Actual – Budgetary Basis
General Fund - Continued
For the Year Ended September 30, 2015

	<i>General Fund</i>			
	Original Budget	Final Budget	Actual Budget Basis	Variance with final Budget
Excess (deficiency) of revenues over expenditures	(426,286)	519,021	519,021	-
OTHER FINANCING SOURCES (USES)				
Transfers in	500,000	500,000	500,000	-
Sale of capital assets	-	55,352	55,352	-
British Petroleum settlement	-	3,825,805	3,825,805	-
Total other financing sources (uses)	500,000	4,381,157	4,381,157	-
Excess of revenues and other sources over expenditures and other uses	<u>\$ 73,714</u>	<u>\$ 4,900,178</u>	4,900,178	<u>-</u>
Fund balance - October 1 - GAAP basis			3,627,812	
Prior period adjustments			(987,639)	
Fund balance - October 1 - GAAP basis, as restated			<u>2,640,173</u>	
Receivable/revenue adjustments			1,833,906	
Capital contributions of assets			2,631,477	
Payable/expenditure adjustments			(4,090,867)	
Total GAAP adjustments			<u>374,516</u>	
Fund balance - September 30 - GAAP basis			<u>\$ 7,914,867</u>	

The accompanying notes to the Required Supplemental Information
are an integral part of this statement.

CITY OF GULFPORT, MISSISSIPPI
Notes to the Required Supplemental Information – Budgetary Schedule
For the Year Ended September 30, 2015

Budgetary Presentation

State statutes authorize the State Auditor to regulate the municipal budget process. Expenditures must be defined to the minimum level prescribed by the State Auditor. The State Auditor has set this level at the purpose level. Municipalities are prohibited from spending in excess of the lowest level adopted in the budget except for capital outlay, election expense and emergency warrants.

The budgetary comparisons present budget figures at the legal level of control. The City Council formally adopts the annual budget for the General Fund with revenues segregated by source (ad valorem tax, licenses and permits, intergovernmental, etc.). The General Fund expenditure budget is set at the character level (current, capital outlay, debt service) for each department (function) with current expenditures further detailed at the object level (personal services, supplies, and other services).

The budgets for revenues are on a cash basis – revenue is recognized if actually received within the year. Budgeted expenditures are on the cash basis with allowance for encumbrances for goods and services actually received prior to year-end and liquidated (paid) within thirty days after year-end.

Accounting principles applied in preparation of the budget comparison statements differ from the generally accepted accounting principles used in preparation of the fund statements. These differences in the principles used results in timing differences in the recognition of revenue and expenditures. At the bottom of the schedule is a reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Budget Basis to the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

CITY OF GULFPORT, MISSISSIPPI
Required Supplemental Information
Mississippi Municipal Retirement System (MMRS)
Analysis of Funding Progress
(Amounts Expressed in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a) /c)	
9/30/2006	10,533	22,720	12,187	46.40%	130	9374.60%	
9/30/2007	10,897	22,170	11,273	49.20%	139	8110.10%	
9/30/2008	11,242	22,193	10,951	50.70%	156	7019.90%	
9/30/2009	10,926	22,696	11,770	48.10%	165	7133.30%	
9/30/2010	10,349	22,245	11,896	46.50%	165	7209.70%	
9/30/2011	10,337	21,095	10,758	49.00%	164	6559.80%	
9/30/2012	9,704	20,927	11,223	46.40%	88	12753.40%	
6/30/2013	9,383	20,836	11,453	45.00%	-	n/a	
6/30/2014	9,590	20,411	10,821	47.00%	-	n/a	
6/30/2015	9,804	20,583	10,779	47.63%	-	n/a	

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the City of Gulfport's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and the annual covered payroll are both affected by inflation. Usually expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan. However, for closed plans such as this one, this figure is highly misleading and should be ignored.

SUPPLEMENTAL 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.

Non-Major Governmental Funds

Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes. A description of these funds is found later in this section.

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

Debt Service Fund – This fund is used to account for the payment of principal and interest on the City's outstanding debt.

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CITY OF GULFPORT, MISSISSIPPI
Non-major Governmental Funds
Combining Balance Sheet
September 30, 2015

	Special Revenue Funds				Capital Projects Funds					
	Disaster Relief Fund	Community Development Block Grant Fund	Police and Firemen's Retirement Fund	Forfeitures and Seizures Fund	1996 Public Improvement Fund	1998 Public Improvement Fund	2001 Public Improvement Fund	2003 Public Improvement Fund	Debt Service Fund	Total
Assets										
Cash and cash equivalents	\$ 72,613	\$ 312,607	\$ -	\$ -	\$ 9,488	\$ 43,008	\$ 227,332	\$ 279,365	\$ -	\$ 944,413
Property taxes receivable	-	-	4,296,071	-	-	-	-	-	966,986	5,263,057
Intergovernmental receivable	1,301,975	471,315	-	-	-	-	-	-	-	1,773,290
Due from other funds	-	-	-	-	-	-	-	-	738,412	738,412
Restricted cash	-	-	-	489,381	-	-	-	-	94,652	584,033
Total assets	\$ 1,374,588	\$ 783,922	\$ 4,296,071	\$ 489,381	\$ 9,488	\$ 43,008	\$ 227,332	\$ 279,365	\$ 1,800,050	\$ 9,303,205
Liabilities										
Accounts payable	\$ 299,257	\$ 307,176	\$ 7,339	\$ 240,030	\$ -	\$ -	\$ -	\$ -	\$ 115,350	\$ 969,152
Retainage payable	7,545	-	-	-	-	-	-	-	-	7,545
Accrued wages payable	-	2,689	-	-	-	-	-	-	-	2,689
Due to other funds	-	605,893	-	-	-	-	-	-	-	605,893
Unearned revenue	-	22,298	-	-	-	-	-	-	-	22,298
Total liabilities	\$ 306,802	\$ 938,056	\$ 7,339	\$ 240,030	\$ -	\$ -	\$ -	\$ -	\$ 115,350	\$ 1,607,577
Deferred inflows of resources										
Deferred inflows - property taxes	-	-	4,288,732	-	-	-	-	-	933,228	5,221,960
Total deferred inflows of resources	-	-	4,288,732	-	-	-	-	-	933,228	5,221,960
Fund Balance										
Restricted for public safety	-	-	-	249,351	-	-	-	-	-	249,351
Restricted for culture and recreation	1,067,786	-	-	-	-	-	-	-	-	1,067,786
Restricted for capital projects	-	-	-	-	9,488	43,008	227,332	279,365	-	559,193
Restricted for debt service	-	-	-	-	-	-	-	-	751,472	751,472
Unassigned	-	(154,134)	-	-	-	-	-	-	-	(154,134)
Total fund balance	1,067,786	(154,134)	-	249,351	9,488	43,008	227,332	279,365	751,472	2,473,668
Total liabilities, deferred inflows of resources and fund balance	\$ 1,374,588	\$ 783,922	\$ 4,296,071	\$ 489,381	\$ 9,488	\$ 43,008	\$ 227,332	\$ 279,365	\$ 1,800,050	\$ 9,303,205

See Independent Auditor's Report

CITY OF GULFPORT, MISSISSIPPI
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2015

	Special Revenue Funds				Capital Projects Funds						Debt Service Fund	Total
	Disaster Relief Fund	Community Development Block Grant Fund	Police and Firemen's Retirement Fund	Forfeitures and Seizures Fund	1996 Public Improvement Fund	1998 Public Improvement Fund	2001 Public Improvement Fund	2003 Public Improvement Fund				
Revenues												
Property taxes	\$ -	\$ -	\$ 934,389	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 4,263,951	\$ 5,198,340	
Intergovernmental	1,301,975	2,190,319	40,703	296,831	-	-	-	-		187,235	4,017,063	
Interest income	-	161	-	245	-	-	-	109		1,705	2,260	
Total revenue	1,301,975	2,190,480	975,092	297,076	-	-	-	109		4,452,891	9,217,663	
Expenditures												
General government	17,100	-	-	-	-	-	-	-		-	17,100	
Public safety	-	-	975,092	263,270	-	-	-	-		-	1,238,362	
Economic development	-	1,586,310	-	-	-	-	-	-		-	1,586,310	
Culture and recreation	396,756	-	-	-	-	-	-	-		-	396,756	
Capital outlay	-	592,286	-	575,135	-	-	-	-		-	1,167,421	
Debt service:												
Principal	-	-	-	-	-	-	-	-		3,032,800	3,032,800	
Interest	-	-	-	-	-	-	-	-		894,182	894,182	
Other debt service costs	-	-	-	-	-	-	-	-		12,271	12,271	
Total expenditures	413,856	2,178,596	975,092	838,405	-	-	-	-		3,939,253	8,345,202	
Excess (deficiency) of revenues over expenditures	888,119	11,884	-	(541,329)	-	-	40	109		513,638	872,461	
Other financing sources:												
Transfers in	179,667	-	-	-	-	-	-	-		-	179,667	
Sale of capital assets	-	-	-	7,196	-	-	-	-		-	7,196	
Total other financing sources	179,667	-	-	7,196	-	-	-	-		-	186,863	
Net change in fund balance	1,067,786	11,884	-	(534,133)	-	-	40	109		513,638	1,059,324	
Fund balance - beginning	-	221,348	-	800,030	9,488	43,008	227,292	279,256		4,730,408	6,300,830	
Prior period adjustment	-	(387,366)	-	(16,546)	-	-	-	-		(4,482,574)	(4,886,486)	
Fund balance - beginning, restated	-	(166,018)	-	783,484	9,488	43,008	227,292	279,256		237,834	1,414,344	
Fund balance - ending	\$ 1,067,786	\$ (154,134)	\$ -	\$ 249,351	\$ 9,488	\$ 43,008	\$ 227,332	\$ 279,365		\$ 751,472	\$ 2,473,668	

See Independent Auditor's Report

Special Revenue Funds

Budget to Actual Comparisons

Disaster Relief Fund – This fund is used to account for all federal, state and local grants and contributions that are to be used in the reconstruction, repairs and other hurricane disaster related uses for the City.

Community Development Block Grant Fund – This fund is used to account for all federal, state and local grants and contributions that are to be used in improving low-income housing in the community.

Police and Firemen's Retirement Fund – This fund is used to account for tax revenues legally restricted for funding the police and firemen's retirement plan. All collections are forwarded to the Public Employee's Retirement System (PERS) for a closed fire and police retirement system managed by PERS.

Forfeitures and Seizures Fund – This fund is used to account for monies seized and forfeited through drug enforcement actions and are specifically restricted for drug enforcement expenditures and other such public safety operations.

CITY OF GULFPORT, MISSISSIPPI
Special Revenue Funds
Disaster Relief Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<i>Disaster Relief Fund</i>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ 5,420,000	\$ 220,895	\$ 220,895	\$ -
Total revenues	<u>5,420,000</u>	<u>220,895</u>	<u>220,895</u>	<u>-</u>
EXPENDITURES				
General government				
Other services and charges	690,553	13,720	13,720	-
Total general government	<u>690,553</u>	<u>13,720</u>	<u>13,720</u>	<u>-</u>
Culture and recreation				
Other services and charges	4,729,447	131,467	131,467	-
Total culture and recreation	<u>4,729,447</u>	<u>131,467</u>	<u>131,467</u>	<u>-</u>
Total expenditures	<u>5,420,000</u>	<u>145,187</u>	<u>145,187</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 75,708</u>	75,708	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			1,260,747	
Payable/expenditure adjustments			<u>(268,669)</u>	
Fund balance - September 30 - GAAP basis			<u>\$ 1,067,786</u>	

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CITY OF GULFPORT, MISSISSIPPI
Special Revenue Funds
Community Development Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<i>Community Development Block Grant Fund</i>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ 4,540,882	\$ 2,189,019	\$ 2,189,019	\$ -
Investment earnings	-	161	161	-
Total revenues	<u>4,540,882</u>	<u>2,189,180</u>	<u>2,189,180</u>	<u>-</u>
EXPENDITURES				
Economic development				
Personnel services	316,378	234,797	234,797	-
Supplies	7,258	1,515	1,515	-
Other services	66,555	19,773	19,773	-
Other contractual services	3,635,447	1,182,762	1,182,762	-
Capital outlay	<u>592,286</u>	<u>592,286</u>	<u>592,286</u>	<u>-</u>
Total Expenditures	<u>4,617,924</u>	<u>2,031,133</u>	<u>2,031,133</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (77,042)</u>	<u>\$ 158,047</u>	158,047	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			221,348	
Prior period adjustments			<u>(387,366)</u>	
Fund balance - October 1 - GAAP basis, as restated			<u>(166,018)</u>	
Receivable/revenue adjustments			1,300	
Payable/expenditure adjustments			<u>(147,463)</u>	
Total GAAP adjustments			<u>(146,163)</u>	
Fund balance - September 30 - GAAP basis			<u>\$ (154,134)</u>	

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CITY OF GULFPORT, MISSISSIPPI
Special Revenue Funds
Police and Firemen's Retirement Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<i>Police and Firemen's Retirement Fund</i>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with final budget</u>
REVENUES				
Property taxes	\$ 988,600	\$ 927,051	\$ 927,051	\$ -
Intergovernmental	34,000	40,703	40,703	
Total revenues	<u>1,022,600</u>	<u>967,754</u>	<u>967,754</u>	<u>-</u>
EXPENDITURES				
Public safety				
Other services	<u>1,022,600</u>	<u>967,754</u>	<u>967,754</u>	
Total Expenditures	<u>1,022,600</u>	<u>967,754</u>	<u>967,754</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			7,338	
Payable/expenditure adjustments			<u>(7,338)</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

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CITY OF GULFPORT, MISSISSIPPI
Special Revenue Funds
Forfeitures and Seizures Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

<i>Forfeitures and Seizures Fund</i>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ -	\$ 338,691	\$ 338,691	\$ -
Investment earnings	-	245	245	-
Total revenues	-	338,936	338,936	-
EXPENDITURES				
Public Safety				
Personnel services	51,183	1,822	1,822	-
Supplies	119,109	48,036	48,036	-
Other contractual services	52,299	3,162	40,234	(37,072)
Capital outlay	556,591	575,135	578,297	(3,162)
Total Expenditures	779,182	628,155	668,389	(40,234)
Excess (deficiency) of revenues over expenditures	(779,182)	(289,219)	(329,453)	(40,234)
OTHER FINANCING SOURCES				
Sale of capital assets	-	7,196	7,196	-
Total other financing sources	-	7,196	7,196	-
Excess of revenues and other sources over expenditures	\$ (779,182)	\$ (282,023)	(322,257)	\$ (40,234)
Fund balance - October 1 - GAAP basis			800,030	
Prior period adjustments			(16,546)	
Fund balance - October 1 - GAAP basis, as restated			783,484	
Receivable/revenue adjustments			(41,860)	
Payable/expenditure adjustments			(170,016)	
Total GAAP adjustments			(211,876)	
Fund balance - September 30 - GAAP basis			\$ 249,351	

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Capital Projects Funds

Combining Budget to Actual Comparisons

1996 Public Improvement Fund – This fund is used to account for various public improvement projects financed by general obligation bonds.

1998 Public Improvement Fund – This fund is used to account for various public improvement projects financed by general obligation bonds.

2001 Public Improvement Fund – This fund is used to account for various public improvement projects financed by Mississippi Development Promissory Note.

2003 Public Improvement Fund – This fund is used to account for various public improvement projects financed by general obligation bonds.

Capital Projects Fund – (Major fund not part of required supplementary information) This fund is used to account for tax revenues and certain government grants specifically restricted for the construction of major capital facilities and public improvement projects not otherwise funded by general obligation bonds.

CITY OF GULFPORT, MISSISSIPPI
Capital Projects Funds
Combining Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual Budget Basis					Total Actual Budget Basis	Variance with final budget
			1996 Public Improvement Fund	1998 Public Improvement Fund	2001 Public Improvement Fund	2003 Public Improvement Fund	Major Fund Capital Projects Fund		
REVENUES									
Intergovernmental	\$ 9,006,474	\$ 3,678,437	\$ -	\$ -	\$ -	\$ -	\$ 3,678,437	\$ 3,678,437	\$ -
Miscellaneous	-	500,000	-	-	-	-	500,000	500,000	-
Investment earnings	-	5,470	-	-	40	109	5,904	6,053	583
Total revenues	9,006,474	4,183,907	-	-	40	109	4,184,341	4,184,490	583
EXPENDITURES									
Public works									
sources over expenditures and other uses									
Other services and charges		633,057	-	-	-	-	633,057	633,057	-
Debt service	-	188,938	-	-	-	-	188,938	188,938	-
Other contractual services	15,168,184	375,638	-	-	-	-	375,638	375,638	-
Capital outlay	1,910,117	7,942,669	-	-	-	-	7,942,669	7,942,669	-
Total Expenditures	17,078,301	9,140,302	-	-	-	-	9,140,302	9,140,302	-
Excess (deficiency) of revenues over expenditures	(8,071,827)	(4,956,395)	-	-	40	109	(4,955,961)	(4,955,812)	583
OTHER FINANCING SOURCES (USES)									
Bond proceeds	16,000,000	16,000,000	-	-	-	-	16,000,000	16,000,000	-
Lease proceeds	1,410,117	-	-	-	-	-	-	-	-
Operating Transfers	-	(500,000)	-	-	-	-	(500,000)	(500,000)	-
Total other financing sources	17,410,117	15,500,000	-	-	-	-	15,500,000	15,500,000	-
Excess of revenues and other sources over expenditures and other uses	\$ 9,338,290	\$ 10,543,605	-	-	40	109	10,544,039	\$ 10,544,188	\$ 583
Fund balance - October 1 - GAAP basis			9,488	43,008	227,292	279,256	6,901,144		
Prior period adjustments			-	-	-	-	(3,403,304)		
Fund balance - October 1 - GAAP basis, as restated			9,488	43,008	227,292	279,256	3,497,840		
Receivable/revenue adjustments			-	-	-	-	1,419,982		
Payable/expenditure adjustments			-	-	-	-	(248,745)		
Total GAAP adjustments			-	-	-	-	1,171,237		
Fund balance - September 30 - GAAP basis			\$ 9,488	\$ 43,008	\$ 227,332	\$ 279,365	\$ 15,213,116		

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Debt Service Fund

Budget to Actual Comparisons

Debt Service Fund – This Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the City of Gulfport, Mississippi is obligated in some manner for the payment.

CITY OF GULFPORT, MISSISSIPPI
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<i>Debt Service Fund</i>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with final budget</u>
REVENUES				
Property taxes	\$ 4,384,000	\$ 4,266,756	\$ 4,266,756	\$ -
Intergovernmental	165,000	187,235	187,235	-
Interest income	-	1,705	1,705	-
Total revenues	<u>4,549,000</u>	<u>4,455,696</u>	<u>4,455,696</u>	<u>-</u>
EXPENDITURES				
Debt service				
Principal payments	3,160,350	3,032,800	3,032,800	-
Interest payments	849,078	1,075,014	1,075,014	-
Other debt service costs	<u>120,572</u>	<u>10,971</u>	<u>10,971</u>	<u>-</u>
Total Expenditures	<u>4,130,000</u>	<u>4,118,785</u>	<u>4,118,785</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 419,000</u>	<u>\$ 336,911</u>	336,911	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			4,720,408	
Prior period adjustments			<u>(4,482,574)</u>	
Fund balance - October 1 - GAAP basis, as restated			<u>237,834</u>	
Receivable/revenue adjustments			(2,805)	
Payable/expenditure adjustments			<u>179,532</u>	
Total GAAP adjustments			<u>176,727</u>	
Fund balance - September 30 - GAAP basis			<u>\$ 751,472</u>	

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Proprietary Funds

Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules

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.

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.

Enterprise Funds

Combining Budget to Actual Comparisons

Water and Sewer Fund – This fund is used to account for the activities of the Water and Sewer operations of the City of Gulfport, Mississippi.

Joseph T. Jones Park Fund– This fund is used to account for operations, maintenance, and leasing of boat slips and other facilities within the Joseph T. Jones Memorial Park.

Gulfport Redevelopment Commission Fund (blended component unit) – The commission's sole purpose is to finance, develop and manage City owned property. Its assets were received from the City and consist of the south parcel of the VA property given to the City by the Department of Veteran Affairs in 2009. No budget information for this fund is available.

CITY OF GULFPORT, MISSISSIPPI
Enterprise Funds
Combining Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	Actual Budget Basis				Total	
	Original	Final	Major Fund	Non-Major Fund	Actual	Variance with
	Budget	Budget	Water and	Jones Park	Basis	final budget
			Sewer	Fund		
			Fund			
OPERATING REVENUES						
Charges for services	\$ 30,287,000	\$ 31,629,686	\$ 30,815,527	\$ 743,702	\$ 31,559,229	\$ (70,457)
Miscellaneous	1,576,000	1,719,518	1,600,150	119,368	1,719,518	-
Total operating revenues	31,863,000	33,349,204	32,415,677	863,070	33,278,747	(70,457)
OPERATING EXPENSES						
Personnel services	1,358,474	1,317,797	1,026,506	291,291	1,317,797	-
Contractual services	17,713,677	18,328,913	18,079,467	249,446	18,328,913	-
Material and supplies	3,234,445	2,975,375	2,554,710	420,845	2,975,555	180
Administrative expenses	1,035,142	1,035,142	985,142	50,000	1,035,142	-
Total operating expenses	23,341,738	23,657,227	22,645,825	1,011,582	23,657,407	180
OPERATING INCOME (LOSS)	8,521,262	9,691,977	9,769,852	(148,512)	9,621,340	(70,637)
NON-OPERATING REVENUES						
AND (EXPENSES)						
Interest revenue	-	4,996	4,912	-	4,912	(84)
Interest expense	(2,438,335)	(1,995,720)	(1,995,720)	-	(1,995,720)	-
Bond issue		14,000,000	14,000,000	-	14,000,000	-
Debt service	(5,681,665)	(6,400,589)	(6,400,589)	-	(6,400,589)	-
Capital outlay	(1,252,493)	(1,067,458)	(1,067,458)	-	(1,067,458)	-
Total non-operating revenues (net)	(9,372,493)	4,541,229	4,541,145	-	4,541,145	(84)
Change in net position	\$ (851,231)	\$ 14,233,206	14,310,997	(148,512)	\$ 14,162,485	\$ (70,721)
Net Position - October 1 -						
GAAP basis			138,204,777	22,961,264		
Prior period adjustments			(1,403,197)	(826,941)		
Net Position - October 1 -						
GAAP basis, as restated			136,801,580	22,134,323		
Receivable/revenue adjustments			414,049	360,263		
Payable/expenditure adjustments			(13,417,359)	(568,809)		
Total GAAP adjustments			(13,003,310)	(208,546)		
Net Position - September 30 -						
GAAP basis			\$ 138,109,267	\$ 21,777,265		

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Internal Service Funds

Combining Fund Financial Statements

Group Life and Health Fund – This fund is used to account for the accumulation and allocation of costs associated with providing health care and life insurance benefits for the City of Gulfport, Mississippi's employees.

Claims Contingency Fund – This fund is used to account for the accumulation of costs associated with workman's compensation claims and general liability claims against the City of Gulfport.

CITY OF GULFPORT, MISSISSIPPI
Internal Service Funds
Combining Statement of Net Position
September 30, 2015

	<i>Internal Service Funds</i>		
	<u>Group Health and Life</u>	<u>Claims Contingency</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 2,488,468	\$ 2,488,468
Due from other funds	301,206	135,000	436,206
Prepaid insurance	-	959,976	959,976
Total assets	<u>301,206</u>	<u>3,583,444</u>	<u>3,884,650</u>
Liabilities			
Accounts payable	-	8,352	8,352
Liability for self-insurance claims	1,237,253	2,740,108	3,977,361
Total liabilities	<u>1,237,253</u>	<u>2,748,460</u>	<u>3,985,713</u>
Net Position			
Unrestricted	<u>\$ (936,047)</u>	<u>\$ 834,984</u>	<u>\$ (101,063)</u>

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CITY OF GULFPORT, MISSISSIPPI
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
September 30, 2015

	<i>Internal Service Funds</i>		
	Group Health and Life	Claims Contingency	Total
Revenues			
Employee contributions	\$ 1,124,291	\$ -	\$ 1,124,291
Retiree contributions	228,166	-	228,166
Employer contributions	4,260,561	3,167,145	7,427,706
Insurance claim reimbursements	689,668	-	689,668
Miscellaneous	-	4,643	4,643
Total revenue	<u>6,302,686</u>	<u>3,171,788</u>	<u>9,474,474</u>
Operating expenses			
Administrative expenses	400,272	149,410	549,682
Premium payments	637,197	1,726,450	2,363,647
Claims paid	7,411,144	1,181,066	8,592,210
Total expenses	<u>8,448,613</u>	<u>3,056,926</u>	<u>11,505,539</u>
Operating income (loss)	<u>(2,145,927)</u>	<u>114,862</u>	<u>(2,031,065)</u>
Non-operating revenues (expenses)			
Interest income	-	1,263	1,263
Change in net position	<u>(2,145,927)</u>	<u>116,125</u>	<u>(2,029,802)</u>
Net position - October 1	1,209,983	719,116	1,929,099
Prior period adjustment	(103)	(257)	(360)
Net position - October 1, restated	<u>1,209,880</u>	<u>718,859</u>	<u>1,928,739</u>
Net position - September 30	<u>\$ (936,047)</u>	<u>\$ 834,984</u>	<u>\$ (101,063)</u>

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CITY OF GULFPORT, MISSISSIPPI
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
September 30, 2015

	<i>Internal Service Funds</i>		
	Group Health and Life	Claims Contingency	Total
Cash flows from operating activities:			
Cash received from other operating receipts	\$ -	\$ 4,643	\$ 4,643
Cash received from employees and others	1,352,457	-	1,352,457
Cash received from insurance claims	689,668	47,855	737,523
Cash received from employer contributions	4,260,561	3,167,145	7,427,706
Cash paid for contractual services	(7,301,542)	(2,784,499)	(10,086,041)
Net cash provided by (used) in operating activities	(998,856)	435,144	(563,712)
Cash flows from non-capital financing activities:			
Loans from (to) other funds	998,856	64,938	1,063,794
Net cash provided by non-capital financing activities	998,856	64,938	1,063,794
Cash flows from investing activities:			
Interest received	-	1,263	1,263
Net cash provided by investing activities	-	1,263	1,263
Net increase in cash and cash equivalents	-	501,345	501,345
Cash and cash equivalents - October 1	-	1,987,123	1,987,123
Cash and cash equivalents - September 30	\$ -	\$ 2,488,468	\$ 2,488,468
Operating income (loss)	\$ (2,145,927)	\$ 114,862	\$ (2,031,065)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in assets:			
Receivable - others	-	47,855	47,855
Prepaid insurance	-	71,490	71,490
Increase (decrease) in liabilities:			
Accounts payable	(19,628)	829	(18,799)
Other liabilities	1,166,699	200,108	1,366,807
Net cash provided (used) by operating activities	\$ (998,856)	\$ 435,144	\$ (563,712)

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Fiduciary Funds

Combining Fund Financial Statements

Fiduciary Funds are used to report resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Asset Forfeiture Fund – This is a fiduciary fund for collecting and settling assets seized jointly by the city and other governments.

Coastal Narcotics Task Force Fund – This is a fiduciary fund for collecting and settling assets seized jointly by the city and other governments.

CITY OF GULFPORT, MISSISSIPPI
Fiduciary Funds
Combining Statement of Assets and Liabilities
September 30, 2015

	Agency Funds		Total
	Asset Forfeiture Fund	Coastal Narcotics Task Force Fund	
Assets			
Cash and cash equivalents	\$ 231,450	\$ 85,656	\$ 317,106
Assets held for disposal	54,350	-	54,350
Total assets	<u>\$ 285,800</u>	<u>\$ 85,656</u>	<u>\$ 371,456</u>
Liabilities			
Assets held in trust	285,800	85,656	371,456
Total liabilities	<u>\$ 285,800</u>	<u>\$ 85,656</u>	<u>\$ 371,456</u>

See Independent Auditor's Report

CITY OF GULFPORT, MISSISSIPPI
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended September 30, 2015

	<i>Agency Funds</i>			
	Balance at 10/1/2014	Additions	Deductions	Balance at 9/30/2015
<u><i>Asset Forfeiture Fund</i></u>				
Assets				
Cash	\$ 234,524	\$ 210,147	\$ 213,221	\$ 231,450
Assets held for disposal	54,350	-	-	54,350
Total assets	<u>288,874</u>	<u>210,147</u>	<u>213,221</u>	<u>285,800</u>
Liabilities				
Payable to other governments	21,309	202,249	223,558	-
Assets held in trust	267,565	193,232	174,997	285,800
Total liabilities	<u>\$ 288,874</u>	<u>\$ 395,481</u>	<u>\$ 398,555</u>	<u>\$ 285,800</u>
<u><i>Coastal Narcotics Task Force Fund</i></u>				
Assets				
Cash	\$ 81,043	\$ 13,560	\$ 8,947	\$ 85,656
Liabilities				
Assets held in trust	<u>\$ 81,043</u>	<u>\$ 13,560</u>	<u>\$ 8,947</u>	<u>\$ 85,656</u>
<u>Total Agency Funds</u>				
Assets				
Cash	\$ 315,567	\$ 223,707	\$ 222,168	\$ 317,106
Assets held for disposal	54,350	-	-	54,350
Total assets	<u>\$ 369,917</u>	<u>\$ 223,707</u>	<u>\$ 222,168</u>	<u>\$ 371,456</u>
Liabilities				
Payable to other governments	\$ 21,309	\$ 202,249	\$ 223,558	\$ -
Assets held in trust	348,608	206,792	183,944	371,456
Total liabilities	<u>\$ 369,917</u>	<u>\$ 409,041</u>	<u>\$ 407,502</u>	<u>\$ 371,456</u>

See Independent Auditor's Report

STATISTICAL SECTION

This part of the City of Gulfport's comprehensive annual financial report presents detailed information as to context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Contents:

Financial Trends-These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity-These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity-These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information-These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities occur.

Operating Information-These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.



CITY OF GULFPORT, MISSISSIPPI
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2014	2013	2012
Governmental activities				
Net investment in capital assets	\$ 269,973,076	\$ 285,129,249	\$ 281,117,526	\$ 270,930,882
Restricted	14,019,819	13,301,974	16,868,111	16,137,281
Unrestricted	<u>(54,692,070)</u>	<u>5,437,311</u>	<u>(9,402,426)</u>	<u>(2,956,829)</u>
Total governmental activities net position	<u>\$ 229,300,825</u>	<u>\$ 303,868,534</u>	<u>\$ 288,583,211</u>	<u>\$ 284,111,334</u>
Business-type activities				
Net investment in capital assets	\$ 164,552,076	\$ 177,125,671	\$ 175,793,824	\$ 174,576,166
Restricted	15,731,978	952,515	952,420	952,325
Unrestricted	<u>86,560</u>	<u>2,891,605</u>	<u>4,113,910</u>	<u>3,570,295</u>
Total business-type activities net position	<u>\$ 180,370,614</u>	<u>\$ 180,969,791</u>	<u>\$ 180,860,154</u>	<u>\$ 179,098,786</u>
Primary government				
Net investment in capital assets	\$ 434,525,152	\$ 462,254,920	\$ 456,911,350	\$ 445,507,048
Restricted	29,751,797	14,254,489	17,820,531	17,089,606
Unrestricted	<u>(54,605,510)</u>	<u>8,328,916</u>	<u>(5,288,516)</u>	<u>613,466</u>
Total primary government net position	<u>\$ 409,671,439</u>	<u>\$ 484,838,325</u>	<u>\$ 469,443,365</u>	<u>\$ 463,210,120</u>

Years 2006 thru 2013 Governmental Activities Unrestricted Net Position restated for Net Pension Asset

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 266,185,951	\$ 249,085,367	\$ 241,003,147	\$ 189,599,451	\$ 188,696,228	\$ 174,441,181
5,797,855	9,827,643	23,399,810	32,297,576	12,457,697	7,293,203
112,782	(3,975,556)	(5,272,825)	2,585,625	34,765,794	31,636,314
<u>\$ 272,096,588</u>	<u>\$ 254,937,454</u>	<u>\$ 259,130,132</u>	<u>\$ 224,482,652</u>	<u>\$ 235,919,719</u>	<u>\$ 213,370,698</u>
\$ 166,696,100	\$ 132,528,012	\$ 70,723,443	\$ 54,599,249	\$ 35,870,524	\$ 27,883,405
952,230	952,121	968,050	4,000	4,000	4,000
4,723,104	2,378,590	11,971,135	14,425,629	20,910,904	19,295,222
<u>\$ 172,371,434</u>	<u>\$ 135,858,723</u>	<u>\$ 83,662,628</u>	<u>\$ 69,028,878</u>	<u>\$ 56,785,428</u>	<u>\$ 47,182,627</u>
\$ 432,882,051	\$ 381,613,379	\$ 311,726,590	\$ 244,198,700	\$ 224,566,752	\$ 202,324,586
6,750,085	10,779,764	24,367,860	32,301,576	12,461,697	7,297,203
4,835,886	(1,596,966)	6,698,310	17,011,254	55,676,698	50,931,536
<u>\$ 444,468,022</u>	<u>\$ 390,796,177</u>	<u>\$ 342,792,760</u>	<u>\$ 293,511,530</u>	<u>\$ 292,705,147</u>	<u>\$ 260,553,325</u>

CITY OF GULFPORT, MISSISSIPPI
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2014	2013	2012
Expenses				
Governmental activities:				
General government		\$ 17,447,206	\$ 15,406,713	\$ 17,985,821
Public safety		28,485,153	26,479,794	29,205,705
Public works		12,878,389	12,657,384	12,482,311
Economic development		1,927,464	2,036,416	2,122,547
Culture & recreation		6,824,808	5,212,892	5,793,659
Interest on long-term debt		1,001,747	1,493,792	1,677,536
Total governmental activities expense		<u>68,564,767</u>	<u>63,286,991</u>	<u>69,267,579</u>
Business-type activities				
Water and sewer		31,584,772	29,368,049	29,943,157
Joseph T. Jones park		1,769,575	1,737,744	2,947,134
Gulfport redevelopment commission		87,250	87,250	87,250
Total business-type activities expense		<u>33,441,597</u>	<u>31,193,043</u>	<u>32,977,541</u>
Total primary government expenses		<u>\$102,006,364</u>	<u>\$ 94,480,034</u>	<u>\$ 102,245,120</u>
Program Revenue				
Governmental activities:				
Charges for services:				
General government		\$ 3,991,989	\$ 3,888,141	\$ 4,157,208
Public safety		108,200	90,097	113,522
Public works		205,186	7,246	14,161
Economic development		1,428,906	1,251,084	1,110,574
Culture & recreation		714,847	813,746	598,271
Operating grants and contributions		3,157,775	5,017,529	2,664,936
Capital grants and contributions		3,094,349	4,325,695	20,047,920
Total governmental activities program revenues		<u>12,701,252</u>	<u>15,393,538</u>	<u>28,706,592</u>
Business-type activities:				
Charges for services:				
Water and sewer		30,516,277	30,367,141	30,245,886
Joseph T. Jones park		1,145,826	1,028,745	520,896
Operating grants and contributions		-	-	-
Capital grants and contributions		309,001	1,064,897	8,138,942
Total business-type activities program revenues		<u>31,971,104</u>	<u>32,460,783</u>	<u>38,905,724</u>
Total primary government program revenues		<u>\$ 44,672,356</u>	<u>\$ 47,854,321</u>	<u>\$ 67,612,316</u>
Net (Expense)/Revenue				
Governmental activities		\$ (56,915,190)	\$ (47,893,453)	\$ (40,560,987)
Business-type activities		(1,470,493)	1,267,740	5,928,183
Total primary government net expense		<u>\$ (58,385,683)</u>	<u>\$ (46,625,713)</u>	<u>\$ (34,632,804)</u>

Years 2006 thru 2013 Governmental Activities Unrestricted Net Position restated for Net Pension Asset

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 14,640,152	\$ 15,061,672	\$ 17,895,591	\$ 16,389,796	\$ 8,439,737	\$ 18,458,766
27,707,275	28,908,909	32,637,921	35,181,734	30,122,550	26,943,482
11,084,442	12,235,926	14,365,217	17,911,142	27,428,901	77,057,446
2,081,041	2,289,992	2,662,668	2,468,356	2,276,098	1,067,096
5,717,562	8,869,990	16,820,045	14,361,467	10,037,906	6,197,560
1,413,236	1,564,971	1,772,771	2,355,672	1,445,005	1,459,237
62,643,708	68,931,460	86,154,213	88,668,167	79,750,197	131,183,587
26,911,222	26,940,884	26,111,077	24,476,747	15,752,495	17,807,885
164,346	104,380	87,597	110,805	124,458	141,971
-	-	-	-	-	-
27,075,568	27,045,264	26,198,674	24,587,552	15,876,953	17,949,856
\$ 89,719,276	\$ 95,976,724	\$112,352,887	\$113,255,719	\$ 95,627,150	\$149,133,443
\$ 4,614,756	\$ 3,703,025	\$ 3,726,883	\$ 1,770,822	\$ 2,576,853	\$ 3,239,223
150,421	28,761	123,813	161,265	166,858	61,861
55,885	-	-	-	-	-
1,376,726	1,426,498	1,951,181	2,620,595	2,854,504	2,863,924
550,700	771,647	494,019	88,456	347,523	522,445
3,625,390	8,564,497	15,924,930	856,785	4,756,775	4,147,269
18,384,916	14,959,682	18,696,556	17,270,909	28,536,146	76,682,952
28,758,794	29,454,110	40,917,382	22,768,832	39,238,659	87,517,674
28,604,172	24,210,429	22,892,554	22,196,429	20,571,100	19,320,980
11,647	11,647	7,817	10,139	5,714	4,618
-	-	-	-	-	-
29,957,733	52,615,994	24,267,954	255,260	806,099	513,514
58,573,552	76,838,070	47,168,325	22,461,828	21,382,913	19,839,112
\$ 87,332,346	\$106,292,180	\$ 88,085,707	\$ 45,230,660	\$ 60,621,572	\$107,356,786
\$ (33,884,914)	\$ (39,477,350)	\$ (45,236,831)	\$ (65,899,335)	\$ (40,511,538)	\$ (43,665,913)
31,497,984	49,792,806	20,969,651	(2,125,724)	5,505,960	1,889,256
\$ (2,386,930)	\$ 10,315,456	\$ (24,267,180)	\$ (68,025,059)	\$ (35,005,578)	\$ (41,776,657)

CITY OF GULFPORT, MISSISSIPPI
Changes in Net Position-Continued
Last Ten Fiscal Years

	Fiscal Year			
	2015	2014	2013	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 18,324,198	\$ 18,432,805	\$ 18,388,705	\$ 18,457,067
Property taxes, levied for special purposes	5,198,340	5,807,459	5,729,313	6,095,931
Sales tax	20,523,996	19,739,832	19,576,183	19,002,874
Franchise taxes	4,246,279	4,332,280	3,779,248	3,606,682
Gaming taxes	3,656,859	3,092,973	3,282,363	3,142,387
Unrestricted grants and contributions	1,612,414	5,292,120	3,559,724	1,980,424
Insurance proceeds	11,817	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	(30,892)	376,346	580,963
Investment Earnings & Misc	4,442,248	105,043	162,701	237,067
Transfers	-	-	(454,869)	(981,225)
Total governmental activities	<u>58,016,151</u>	<u>56,771,620</u>	<u>54,399,714</u>	<u>52,122,170</u>
Business-type activities				
Insurance Proceeds	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	(6,498)	-	-
Investment Earnings & Misc	5,008	52,575	38,759	74,245
Transfers	391,651	-	454,869	981,225
Total business-type activities	<u>396,659</u>	<u>46,077</u>	<u>493,628</u>	<u>1,055,470</u>
Total primary government	<u>\$ 58,412,810</u>	<u>\$ 56,817,697</u>	<u>\$ 54,893,342</u>	<u>\$ 53,177,640</u>
Governmental - Special Items:				
Prior Period Adjustments	(79,272,049)	-	-	-
FEMA Community disaster loan forgiveness	-	16,021,567	-	-
Business-type activities - Special items:				
Prior Period Adjustments	(823,576)	-	-	-
FEMA Community disaster loan forgiveness	-	3,573,774	-	-
Total primary government - Special items	<u>\$ (80,095,625)</u>	<u>\$ 19,595,341</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position				
Governmental activities	\$ 229,300,825	\$ 15,877,997	\$ 3,975,972	\$ 10,764,978
Business-type activities	180,370,614	2,149,358	1,761,368	6,983,653
Total primary government	<u>\$ 409,671,439</u>	<u>\$ 18,027,355</u>	<u>\$ 5,737,340</u>	<u>\$ 17,748,631</u>

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 18,061,388	\$ 17,410,169	\$ 16,609,515	\$ 14,120,511	\$ 12,623,050	\$ 16,144,033
6,315,051	7,048,312	6,801,634	6,046,362	6,894,400	6,439,702
19,230,296	18,741,574	20,131,945	21,834,653	24,039,616	26,980,191
3,638,352	3,942,293	3,828,900	3,634,007	3,284,355	3,254,940
3,198,977	3,221,427	3,316,175	3,524,542	2,847,942	289,678
825,581	523,802	968,885	1,049,367	2,937,024	3,104,638
214,664	309,856	3,264,814	11,759,304	3,514,865	2,835,835
(126,609)	(20,349,579)	(1,850,914)	-	-	-
141,165	3,737,998	25,322,512	5,903,789	8,059,656	2,948,584
(3,882,228)	(1,765,333)	(3,439,783)	(13,410,267)	(1,140,348)	(5,253,000)
47,616,637	32,820,519	74,953,683	54,462,268	63,060,560	56,744,601
-	-	524,471	-	486,747	-
(2,971)	(81,167)	(47,347)	-	-	-
119,166	189,350	2,863,010	958,907	2,469,746	15,190,779
3,882,228	1,765,333	3,439,783	13,410,267	1,140,348	5,253,000
3,998,423	1,873,516	6,779,917	14,369,174	4,096,841	20,443,779
\$ 51,615,060	\$ 34,694,035	\$ 81,733,600	\$ 68,831,442	\$ 67,157,401	\$ 77,188,380
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 13,731,723	\$ (6,656,831)	\$ 29,716,852	\$ (11,437,067)	\$ 22,549,021	\$ 13,078,688
35,496,407	51,666,322	27,749,568	12,243,450	9,602,801	22,333,035
\$ 49,228,130	\$ 45,009,491	\$ 57,466,420	\$ 806,383	\$ 32,151,822	\$ 35,411,723

CITY OF GULFPORT, MISSISSIPPI
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2015	2014	2013	2012
General Fund				
Restricted for:				
Drug enforcement	\$ -	\$ -	\$ -	\$ 28,499
Senior citizens program	160,512	100,000	100,000	100,000
Assigned for:				
Subsequent year appropriations	-	-	215,226	-
Unassigned	7,754,355	3,527,812	3,179,087	2,372,878
Total general fund	<u>\$ 7,914,867</u>	<u>\$ 3,627,812</u>	<u>\$ 3,494,313</u>	<u>\$ 2,501,377</u>
All Other Governmental Funds				
Restricted for:				
Drug enforcement	\$ 249,351	\$ 800,030	\$ 1,512,330	\$ 1,458,489
Debt service	751,472	4,720,408	3,849,656	4,134,783
Urban development	1,067,786	221,348	297,275	295,988
Capital projects	15,772,309	7,460,188	11,108,850	12,245,552
Hurricane repairs	-	-	-	-
Unassigned	(154,134)	-	-	-
Nonspendable for prepaids	-	-	60,770	64,883
Total all other governmental funds	<u>\$ 17,686,784</u>	<u>\$ 13,201,974</u>	<u>\$ 16,828,881</u>	<u>\$ 18,199,695</u>
Total Governmental Funds	<u>\$ 25,601,651</u>	<u>\$ 16,829,786</u>	<u>\$ 20,323,194</u>	<u>\$ 20,701,072</u>

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 28,499	\$ 28,499	\$ 28,499	\$ -	\$ -	\$ -
100,000	100,000	100,000	100,000	100,000	100,000
-	-	4,775,590	8,028,176	15,873,704	17,737,034
5,075,411	5,183,946	627,799	4,256,005	13,680,477	20,304,378
<u>\$ 5,203,910</u>	<u>\$ 5,312,445</u>	<u>\$ 5,531,888</u>	<u>\$ 12,384,181</u>	<u>\$ 29,654,181</u>	<u>\$ 38,141,412</u>
\$ 1,395,365	\$ 2,030,276	\$ 3,114,542	\$ 2,886,966	\$ 2,070,426	\$ 1,601,608
3,844,021	3,662,817	5,791,001	10,104,287	4,037,526	2,528,093
295,984	132,398	406,792	51,505	286,358	876,804
2,240,691	5,643,041	14,239,250	20,313,242	10,446,352	4,375,266
-	-	-	-	-	-
-	-	1,152,092	-	8,842,822	1,924,800
69,820	72,582	76,257	79,757	-	-
<u>\$ 7,845,881</u>	<u>\$ 11,541,114</u>	<u>\$ 24,779,934</u>	<u>\$ 33,435,757</u>	<u>\$ 25,683,484</u>	<u>\$ 11,306,571</u>
<u>\$ 13,049,791</u>	<u>\$ 16,853,559</u>	<u>\$ 30,311,822</u>	<u>\$ 45,819,938</u>	<u>\$ 55,337,665</u>	<u>\$ 49,447,983</u>

CITY OF GULFPORT, MISSISSIPPI
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2015	2014	2013	2012
Revenues				
Taxes				
Property	\$ 23,522,538	\$ 24,240,264	\$ 24,118,018	\$ 24,552,998
Sales	20,523,996	19,739,832	19,576,183	19,002,874
Franchise	4,246,279	4,332,280	3,779,248	3,606,682
Gaming	3,450,659	3,092,973	3,282,363	3,142,387
Licenses and permits	1,102,339	1,406,737	1,251,084	1,110,574
Intergovernmental	15,054,935	8,488,088	11,085,701	21,082,548
Charges for service	1,974,416	1,954,839	1,721,145	1,527,177
Fines & Forfeits	1,423,042	1,721,696	1,956,635	1,931,800
Miscellaneous	687,373	104,066	161,557	201,646
Total revenues	71,985,577	65,080,775	66,931,934	76,158,686
Expenditures				
General government	8,372,762	7,824,841	7,079,355	7,187,596
Public safety	30,264,968	31,361,182	29,433,859	32,448,262
Public works	9,586,433	10,335,506	9,927,950	9,728,428
Economic development	3,567,688	2,249,006	2,346,013	2,428,878
Culture & recreation	6,214,998	6,958,247	8,066,154	6,787,433
Capital Outlay	13,988,721	7,126,336	6,738,782	15,098,742
Debt Service				
Principal	3,268,236	3,238,072	4,140,350	3,497,844
Interest	935,696	765,011	1,128,160	1,279,711
Other	112,408	7,625	11,866	7,675
Total expenditures	76,311,910	69,865,826	68,872,489	78,464,569
Excess of revenues over (under) expenditures	(4,326,333)	(4,785,051)	(1,940,555)	(2,305,883)
Other Financing Sources (Uses)				
Capital leases	1,910,117	415,679	517,622	10,000,000
Issuance of TIF bonds		480,000	-	-
Payment to refunded bond escrow		(16,412,456)	-	-
Bond proceeds	16,000,000	15,025,000	-	-
Bond issue costs		(364,181)	-	-
Premium on refunding bonds		1,745,902	-	-
Insurance proceeds		-	-	-
Sale of capital assets	62,548	401,699	884,922	1,070,368
Transfers in	581,558	-	536,337	1,193,605
Transfers out	(581,558)	-	(991,206)	(1,691,807)
British Petroleum settlement	4,402,962	-	-	-
Total other financing sources (uses)	22,375,627	1,291,643	947,675	10,572,166
Net change in fund balance	\$ 18,049,294	\$ (3,493,408)	\$ (992,880)	\$ 8,266,283

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 24,376,439	\$ 24,458,481	\$ 23,411,149	\$ 20,166,873	\$ 19,517,450	\$ 22,583,735
19,230,296	18,741,574	20,131,945	21,834,653	24,039,616	26,980,191
3,638,352	3,942,293	3,828,900	3,634,007	3,284,355	3,254,940
3,197,977	3,221,427	3,316,175	3,524,542	2,847,942	289,678
1,342,133	1,362,510	1,695,450	2,228,349	2,803,830	2,927,373
22,835,887	24,047,981	34,908,729	19,177,061	32,943,601	82,516,606
1,502,856	985,498	952,901	953,699	848,659	965,700
2,548,171	2,202,505	2,673,324	1,888,998	1,393,749	2,077,765
75,847	459,499	1,054,812	4,406,741	7,097,624	2,947,093
78,747,958	79,421,768	91,973,385	77,814,923	94,776,826	144,543,081
7,228,142	7,279,026	8,706,354	9,284,515	7,445,333	12,420,732
30,667,009	33,477,490	35,626,715	36,821,619	29,929,880	28,835,838
8,276,579	8,809,717	10,923,312	14,597,641	25,713,928	76,660,811
2,370,885	2,551,983	2,954,131	2,687,131	2,238,014	1,513,720
5,565,858	9,315,501	16,998,771	14,492,953	9,997,168	6,646,626
20,708,636	26,012,668	26,364,288	14,125,668	12,690,199	2,497,235
3,748,258	3,725,430	3,572,981	3,394,376	3,028,101	2,707,970
1,055,136	1,209,078	1,391,971	1,311,173	1,286,601	1,472,265
9,165	8,165	15,453	6,201	9,715	10,376
79,629,668	92,389,058	106,553,976	96,721,277	92,338,939	132,765,573
(881,710)	(12,967,290)	(14,580,591)	(18,906,354)	2,437,887	11,777,508
-	-	-	11,209,465	1,790,535	13,373,122
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
214,664	309,856	3,264,815	767,530	3,239,585	2,835,835
106,085	139,929	65,170	441,620	127,023	-
773,380	4,323,038	9,927,865	21,084,020	17,789,011	944,476
(4,017,187)	(5,263,796)	(14,185,375)	(24,114,008)	(19,494,359)	(6,197,476)
-	-	-	-	-	-
(2,923,058)	(490,973)	(927,525)	9,388,627	3,451,795	10,955,957
\$ (3,804,768)	\$ (13,458,263)	\$ (15,508,116)	\$ (9,517,727)	\$ 5,889,682	\$ 22,733,465

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CITY OF GULFPORT, MISSISSIPPI
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)(2)(3)		Personal Property		Utilities	
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value
2015	457,861	3,346,937	82,237	548,247	126,978	846,520
2014	459,586	3,359,547	82,689	551,260	127,697	851,313
2013	460,129	3,363,516	81,023	540,153	131,213	874,753
2012	466,503	3,410,110	83,309	555,393	129,334	862,227
2011	459,746	3,360,716	80,905	539,367	125,478	836,520
2010	438,057	3,202,171	86,117	574,113	122,200	814,667
2009	433,240	3,166,959	87,524	583,493	111,864	745,760
2008	330,443	2,415,519	73,554	490,360	109,811	732,073
2007	307,011	2,244,232	57,473	383,153	109,051	727,007
2006	373,202	2,728,085	77,395	515,967	110,104	734,027

(1) Class 1 - residential, owner occupied is assessed at 10% of true value

Class 2 - commercial is assessed at 15% of true value

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

(2) Fiscal Year 2009 real property figures reflect completion of real property reappraisal by Harrison County

(3) Fiscal year 2006 reflects a decrease due to damage resulting from Hurricane Katrina

Source: Harrison County Tax Assessor

Automobiles		Total		Assessed to Actual
Assessed Value	Actual Value	Assessed Value	Actual Value	
69,253	230,843	736,329	4,972,547	14.81%
68,175	227,250	738,147	4,989,370	14.79%
69,407	231,357	741,772	5,009,779	14.81%
69,948	233,160	749,094	5,060,890	14.80%
73,952	246,507	740,081	4,983,110	14.85%
83,028	276,760	729,402	4,867,711	14.98%
86,752	289,173	719,380	4,785,386	15.03%
91,125	303,750	604,933	3,941,702	15.35%
90,733	302,443	564,268	3,656,836	15.43%
77,425	258,083	638,126	4,236,161	15.06%

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CITY OF GULFPORT, MISSISSIPPI
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 6

Fiscal Year	City of Gulfport			Overlapping Rates						Grand Total Millage
	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	
2015	27.8	6.2	34.0	31.1	5.1	36.2	53.6	11.3	64.9	135.1
2014	27.0	7.0	34.0	30.5	5.4	35.9	53.6	7.3	60.9	130.8
2013	27.0	7.0	34.0	30.5	5.4	35.9	53.9	7.0	60.9	130.8
2012	27.0	7.0	34.0	30.5	5.4	35.9	53.6	7.3	60.9	130.8
2011	27.0	7.0	34.0	30.5	5.4	35.9	53.0	7.9	60.9	130.8
2010	25.7	8.3	34.0	31.0	4.9	35.9	50.3	7.6	57.9	127.8
2009	25.8	8.2	34.0	31.3	4.4	35.7	50.3	7.6	57.9	127.6
2008	26.0	8.0	34.0	32.9	3.4	36.3	50.3	7.6	57.9	128.2
2007	24.1	9.9	34.0	33.5	3.0	36.5	50.3	7.6	57.9	128.4
2006	27.0	7.0	34.0	33.4	3.1	36.5	50.3	7.6	57.9	128.4

Ad valorem on real property are collected in arrears for each calendar year. The tax is levied in September of the tax year on all property on the tax roll as of January 1 of the same year. Consequently, ad valorem tax is collected in the fiscal year ending in the calendar year subsequent to the calendar year for which the tax is assessed.

Source: Harrison County Tax Collector

Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)

Schedule 7

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Mississippi Power & Light	\$ 113,267	1	15.38%	\$ 90,598	1	14.20%
Gulfside Casino Partnership	18,479	2	2.51%			0.00%
CrossRoads Center	6,044	3	0.82%	4,678	4	0.73%
Bell South	5,713	4	0.78%	11,361	2	1.78%
E.I. Dupont	5,419	5	0.74%			
Hancock Bank	5,224	6	0.71%			
HCA Realty	4,715	7	0.64%	2,801	5	0.44%
Harrison-Gulfport LLC	2,758	8	0.37%			
Gulfport Factory Shops	2,398	9	0.33%			
Avondale Enterprises Inc	2,333	10	0.32%			
Grand Casino	-			5,065	3	0.79%
Prime Outlets	-			2,093	6	0.33%
Citicorp Leasing Inc	-			1,841	7	0.29%
Garden Park Hospital	-			1,833	8	0.29%
Wal-Mart	-			1,524	9	0.24%
Exit 34-A	-			1,396	10	0.22%
Total	<u>\$ 166,350</u>		<u>22.59%</u>	<u>\$ 123,190</u>		<u>19.30%</u>

Note: Assessed value for 2015 - \$736,329, for 2006 \$638,126

Source: Harrison County Tax Assessor

CITY OF GULFPORT, MISSISSIPPI
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Collection in Subsequent Years	Total Collections To Date	
		Percentage		Amount		Percentage	
		Amount	of Levy			Amount	of Levy
2015	\$ 45,583	\$ 43,271	94.93%	\$ 113	\$ 43,384	95.18%	
2014	44,508	42,288	95.01%	341	42,629	95.78%	
2013	45,014	42,399	94.19%	158	42,557	94.54%	
2012	45,675	42,829	93.77%	200	43,029	94.21%	
2011	45,642	42,620	93.38%	233	42,853	93.89%	
2010	45,051	43,157	95.80%	193	43,350	96.22%	
2009	42,882	40,952	95.50%	393	41,345	96.42%	
2008	35,733	33,694	94.29%	452	34,146	95.56%	
2007	35,260	30,654	86.94%	634	31,288	88.74%	
2006	42,158	37,578	89.14%	658	38,236	90.70%	

CITY OF GULFPORT, MISSISSIPPI
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government Debt	Percentage of Personal Income	Total Debt Per Capital
	General Obligation Bonds	Capital Leases	Other General Obligation Debt	General Obligation Revenue Bonds	State Revolving Loans	Other Debt			
2015	\$ 31,212	\$ 2,468	\$ 7,305	\$ 40,253	\$ 21,678	\$ 10,952	\$ 113,868	17.86%	1.59
2014	17,320	793	8,307	42,140	23,380	-	91,940	22.69%	1.29
2013	15,545	518	26,686	46,035	25,258	2,986	117,028	18.44%	1.67
2012	18,345	-	28,026	49,460	27,312	3,308	126,451	16.48%	1.83
2011	21,005	326	23,538	52,735	29,407	3,338	130,349	13.78%	1.92
2010	23,535	961	19,122	55,875	31,533	3,368	134,394	15.19%	1.90
2009	26,070	1,572	19,701	59,625	33,611	3,397	143,976	14.06%	2.04
2008	28,480	2,159	20,277	52,950	35,640	3,427	142,933	13.28%	2.03
2007	20,710	2,725	20,875	55,610	34,551	3,456	137,927	12.38%	2.00
2006	22,835	-	21,503	58,140	27,772	2,530	132,780	12.86%	1.96

CITY OF GULFPORT, MISSISSIPPI
Ratio of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 10

Fiscal Year	Estimated Population	Assessed Property Value (1)	Gross General Obligation Bonds	Less Debt Service Funds	Net GO Bonded Debt	Percentage of Assessed Taxable Value of Property	Net Bonded Debt Per Capita
2015	71.8	736,329	31,212	3,848	27,364	3.72%	381
2014	71.0	738,147	17,320	4,720	12,600	1.71%	177
2013	70.1	741,772	15,545	3,850	11,695	1.58%	167
2012	69.2	749,094	18,345	4,135	14,210	1.90%	205
2011	67.8	740,081	21,005	3,914	17,091	2.31%	252
2010	70.8	729,402	23,535	3,735	19,800	2.71%	280
2009	70.7	719,380	26,070	5,867	20,203	2.81%	286
2008	70.4	604,933	28,480	10,184	18,296	3.02%	260
2007	68.9	564,268	20,710	7,926	12,784	2.27%	186
2006	67.6	638,126	22,835	3,525	19,310	3.03%	286

(1) Schedule 5 "Assessed and Actual Value of Property"

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CITY OF GULFPORT, MISSISSIPPI
Direct and Overlapping Governmental Activities Debt
As of September 30, 2015
(amounts expressed in thousands)

Schedule 11

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
City of Gulfport direct debt	\$ 31,212	100.00%	<u>\$ 31,212</u>
Debt repaid with property taxes:			
Harrison County	138,545	36.58%	50,680
Gulfport School District	43,325	100.00%	<u>43,325</u>
Overlapping debt			<u>94,005</u>
 Total direct and overlapping debt			 <u><u>\$ 125,217</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using assessed property values, by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total assessed value.

Source: Debt schedules for City of Gulfport, Harrison County, and Gulfport School Districts.

CITY OF GULFPORT, MISSISSIPPI
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year			
	2015	2014	2013	2012
Debt Limit (15%)	\$ 110,449	\$ 110,722	\$ 111,266	\$ 112,364
Total net GO debt applicable to limit	27,364	12,600	11,695	14,210
Legal debt margin	<u>\$ 83,085</u>	<u>\$ 98,122</u>	<u>\$ 99,571</u>	<u>\$ 98,154</u>
Total net debt applicable to the limit as a percentage of the debt limit	24.78%	11.38%	10.51%	12.65%

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 111,012	\$ 109,410	\$ 107,907	\$ 90,740	\$ 84,640	\$ 95,719
17,091	19,800	20,203	18,296	12,784	19,310
<u>\$ 93,921</u>	<u>\$ 89,610</u>	<u>\$ 87,704</u>	<u>\$ 72,444</u>	<u>\$ 71,856</u>	<u>\$ 76,409</u>
15.40%	18.10%	18.72%	20.16%	15.10%	20.17%

**Legal Debt Margin Calculated
for Fiscal Year 2015**

Assessed Value	\$ 736,329	
Debt limit (15% of assessed value)		110,449
Debt applicable to limit:		
General obligation bonds		(46,290)
Debt service funds available		<u>3,848</u>
Legal debt margin		<u>\$ 68,007</u>

CITY OF GULFPORT, MISSISSIPPI
Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 13

Fiscal Year	Water and Sewer Gross Revenue	Water and Sewer (2) Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements (1)			Coverage
				Principal	Interest	Total	
2015	\$ 32,420	\$ 23,714	\$ 8,706	\$ 4,119	\$ 2,181	6,300	138.19%
2014	30,559	23,652	6,907	1,995	1,791	3,786	182.44%
2013	30,402	20,669	9,733	1,895	1,890	3,785	257.15%
2012	30,282	21,172	9,110	1,800	1,985	3,785	240.69%
2011	28,700	18,394	10,306	1,710	2,075	3,785	272.29%
2010	24,348	18,879	5,469	1,620	2,160	3,780	144.68%
2009	23,040	18,758	4,282	1,545	2,236	3,781	113.25%
2008	22,347	17,808	4,539	1,470	2,310	3,780	120.08%
2007*	21,853	9,480	12,373	1,395	2,376	3,771	328.11%
2006	19,411	11,914	7,497	975	2,429	3,404	220.24%

(1) Does not include GO Revenue Bonds in which the City has the option of using property or sales taxes to repay the debt.

(2) Operating expenses are exclusive of depreciation and amortization

* Operating expenses in 2007 were reduced due to the Harrison County Wastewater District refinancing its debt, resulting in no related charges to the City for that year

CITY OF GULFPORT, MISSISSIPPI
Demographic and Economic Statistics
Last Ten Calendar Years

Schedule 14

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>School (3) Enrollment</u>	<u>Unemployment Rate (4)</u>
2015	71,750	20,340	6,353	7.30%
2014	71,012	20,863	6,135	8.50%
2013	70,113	21,579	5,903	9.90%
2012	69,220	20,845	5,699	9.90%
2011	67,793	17,963	5,659	10.40%
2010	70,794	20,417	5,609	9.40%
2009	70,732	20,243	5,232	7.60%
2008	70,372	18,978	5,341	5.40%
2007	68,959	17,079	5,065	6.20%
2006	67,578	17,079	6,166	16.6% *

(1) U.S. Census Bureau GCT-T1-R population estimates

(2) US Department of Commerce, Bureau of Economic Analysis "Local Area
Personal Income"

(3) Gulfport School District (Pre-K thru 12th Grade)

(4) Mississippi Employment Security Commission

* Hurricane Katrina occurred August 29, 2005

CITY OF GULFPORT, MISSISSIPPI
Principal Staff
Last Seven Fiscal Years

Schedule 15

	2015		2014		2013		2012		2011		2010		2009	
Employer	Staff	Rank	Staff	Rank	Staff	Rank	Staff	Rank	Staff	Rank	Staff	Rank	Employee	Rank
Naval CBC Base	5,500	1	5,500	1	3,304	1	5,400	1	5,800	1	5,950	1	7,000	1
Memorial Hospital	3,331	2	3,331	2	3,290	2	3,290	2	2,894	2	2,894	2	2,894	2
Harrison County Schools	1,802	3	1,802	3	1,788	3	1,703	3	1,649	3	1,795	3	1,795	3
Island View Casino Resort	1,293	4	1,206	4	1,207	4	1,337	4	1,188	5	1,170	6	1,042	6
Hancock Bank	864	5	864	5	864	5	864	5	864	7	1,213	5	1,213	5
Gulf Coast Shipyard Group	851	6	650	8	-	-	-	-	-	-	-	-	881	7
Gulfport Schools	848	7	848	6	831	6	818	6	900	6	881	7	1,299	4
Mississippi Power	728	8	728	7	728	7	728	8	1,253	4	1,295	4	-	-
City of Gulfport	640	9	-	-	617	8	618	9	639	9	605	8	-	-
Trent Lott Training Complex	636	10	636	10	-	-	-	-	-	-	-	-	-	-
Gulf Ship, LLC			650	9	608	9	-	-	-	-	-	-	638	8
Wal-Mart	-	-	-	-	585	10	585	10	585	10	585	9	585	9
Huntington Ingalls Industries,	-	-	-	-	-	-	730	7	730	8	-	-	-	-
Trinity Yachts	-	-	-	-	-	-	-	-	-	-	500	10	500	10
Total	<u>16,493</u>		<u>16,215</u>		<u>13,822</u>		<u>16,073</u>		<u>16,502</u>		<u>16,888</u>		<u>17,847</u>	

Information taken from Harrison County Development Commission Listing
of Major Employers.

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CITY OF GULFPORT, MISSISSIPPI
Full-Time Equivalent City Government Staff by Function/Program
Last Seven Fiscal Years

Schedule 16

	2015	2014	2013	2012	2011	2010	2009
	Full-Time Equivalent	Full-Time Equivalent	Full-Time Equivalent	Full-Time Equivalent	Full-Time Equivalent	Full-Time Equivalent	Full-Time Equivalent
Function/Program	Staff	Staff	Staff	Staff	Staff	Staff	Staff
Mayor's Office	3	3	3	3	3	3	3
Council	9	9	9	8	8	9	9
Municipal Court	21.5	22.5	23.5	22.5	23.5	24	26
Legal	10	10	8.5	10	9	9	10
General Admin	32.5	33.5	33.5	31.5	33	33	34
Police							
Officers	168	176	167.5	176	185.5	189	183
Civilians	58	57	56.5	59.5	61.5	63	69
Fire							
Combat	156	149	158	154	158	150	155
Civilians	7	7	6	6	5	5	9
Public Works	36	37	35	34	33	31	45
Leisure Services	72	70.5	69.5	67	67.5	55	59
Community Development	3	3	3	3	3	4	4
Urban/Economic Development	27	27	26	26	31	30	30
Utility Billing/Water-Sewer	18	18	18	17	18	-	2
Total	621.0	622.5	617.0	617.5	639.0	605.0	638

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CITY OF GULFPORT, MISSISSIPPI
Operating Indicators by Function/Program
Last Seven Fiscal Years

Schedule 17

Function/Program	2015	2014	2013	2012	2011	2010	2009
Police							
Physical arrests	11,783	10,777	11,072	11,826	12,639	11,129	12,557
Parking violations	1,781	1,823	911	1,929	2,421	1,341	1,180
Traffic violations	21,679	26,213	19,766	21,063	25,037	33,900	37,244
Fire							
Emergency responses	11,945	10,520	10,194	10,534	9,712	9,480	7,862
Fires extinguished	379	383	352	380	511	378	542
Inspections	1,956	2,325	2,220	3,616	1,548	1,699	4,078
Public Works							
Street resurfacing (miles)	3.42	8.21	34.49	7.20	18.45	3.00	9.89
Potholes repaired	648	745	1,041	977	733	1,184	619
Parks and Recreation							
Center Admissions	369,577	406,632	294,462	253,384	337,268	264,599	139,918
Water							
New connections	406	496	326	563	446	1,060	1,393
Water main breaks	33	42	36	28	33	24	22
Avg daily used (gal)	7,645,740	6,740,942	8,871,332	9,898,706	8,529,219	10,246,575	9,081,585
Wastewater							
Avg daily sewage treatmet (gal)	11,860,100	11,780,200	11,044,900	10,910,833	10,078,400	12,885,000	10,470,000

CITY OF GULFPORT, MISSISSIPPI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Schedule 18

Function/Program	2015	2014	2013	2012	2011	2010	2009
Police							
Stations	2	2	2	2	2	2	3
Patrol Units	66	60	60	63	72	79	80
Fire Stations	11	11	11	12	12	12	12
Public Works							
Streets (miles)	1,021.3	1,021.3	1,021.3	614.0	614.0	614.0	602.3
Street lights	10,273	10,765	9,383	9,543	9,356	8,030	9,101
Traffic signals	110	110	110	110	110	110	100
Parks and Recreations							
Acreage	600	600	600	600	600	600	600
Playgrounds	19	19	19	19	19	19	19
Ballfields	38	38	38	38	38	38	38
Tennis courts	7	7	7	7	7	7	7
Parks	31	31	31	31	31	31	31
Community centers	10	11	10	11	14	14	14
Waterfront piers	6	6	6	6	6	6	6
Boat launch ramps	14	14	14	14	14	14	14
Small craft harbor slips *	319	319	319	319	319	-	-
Water							
Water mains (miles)	447.0	423.0	418.0	412.0	409.0	401.0	365.5
Fire hydrants	3,850	3,650	3,614	3,559	3,538	2,793	3,398
Storage capacity (gal)	5,775,000	6,108,000	6,108,000	6,550,000	5,550,000	5,550,000	5,108,000
Wastewater							
Sanitary sewer (miles)	522.00	502.00	501.00	500.00	499.00	492.00	307.84
Storm sewer (miles)	504.00	502.00	501.00	500.00	499.00	492.00	307.84
Treatment capacity (gal)	26,907,600	27,571,500	27,550,417	30,905,833	20,235,000	21,000,000	23,500,000

* During 2009 the City began construction to rebuild 319 boat slips and the harbor master building that were destroyed by Hurricane Katrina. Prior to the hurricane there were 289 boat slips and a harbor master building.

CITY OF GULFPORT, MISSISSIPPI
Schedule of Surety Bonds
Last Ten Fiscal Years

Schedule 19

NAME AND POSITION	AMOUNT	EXPIRES
Kenneth L. Casey, Sr., Councilman, Ward 1	\$100,000	6/30/2017
Richard "Ricky" Dombrowski, Councilman, Ward 2	\$100,000	6/30/2017
Ella Jean Holmes-Hines, Councilwoman, Ward 3	\$100,000	6/30/2017
F. B. "Rusty" Walker, IV, Councilman, Ward 4	\$100,000	6/30/2017
Myles Sharp, Councilman, Ward 5	\$100,000	6/30/2017
Robert "R. Lee" Flowers, II, Councilman, Ward 6	\$100,000	6/30/2017
Cara L. Pucheu, Councilwoman, Ward 7	\$100,000	6/30/2017
William G. "Billy" Hewes, III, Mayor	\$100,000	6/30/2017
John R. Kelly, Chief Administrator Officer	\$50,000	3/17/2016
Linda K. Elias, Comptroller/City Clerk	\$50,000	6/3/2016
Kourtney Wells, Deputy City Clerk	\$50,000	9/9/2016
Rhonda Cole, Deputy City Clerk	\$50,000	3/6/2016
Angela T. Kunn, Court Administrator	\$50,000	6/11/2016
Leonard Papania, Police Chief	\$50,000	5/8/2016
Mary C. Collins, Deputy City Clerk	\$50,000	7/25/2016
Antionette F. White, Deputy City Clerk	\$50,000	9/8/2016