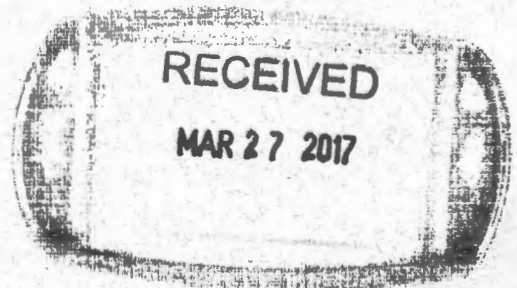




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**CITY OF D'IBERVILLE, MISSISSIPPI
COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDED SEPTEMBER 30, 2016



CITY OF D'IBERVILLE, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2016
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CITY OF D'IBERVILLE, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SECTION I
INTRODUCTORY SECTION

CITY OF D'IBERVILLE, MISSISSIPPI
LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Mayor

Rusty Quave

Councilman – Ward 1

Randall Pelous

Councilman – Ward 2

Henry Toncrey, Jr.

Councilman – Ward 3

Craig "Boots" Diaz

Councilman – Ward 4

Robby Ellis

Councilman – At Large

Joey Bosarge

APPOINTED OFFICIALS

City Manager

Clay Jones

City Clerk

Jodi Weise

Comptroller

Sharron Perkins

Police Chief

Wayne Payne

Fire Chief

Gerald Smith

Municipal Court Clerk

Patti Jackson

Economic Development Director

Jeff Taylor

Public Works Director

Michael Mullins

Community Development Director

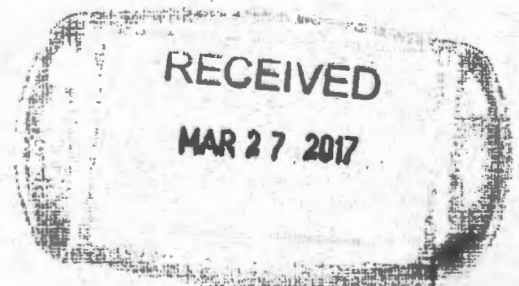
David "Hank" Rogers

Parks & Recreation Superintendent

Troy Saucier

Planning & Zoning Director

Cindy Feranda



LETTER OF TRANSMITTAL

CITY OF D'IBERVILLE

10383 AUTOMALL PARKWAY P.O. BOX 6519
D'IBERVILLE, MISSISSIPPI 39540-6519

March 15, 2017 228-392-7966 FAX: 228-392-9723

MAYOR: RUSTY QUAVE
CITY MANAGER: CLAY JONES

COUNCIL MEMBERS:
RANDALL PELOUS, WARD 1
HENRY TONCREY JR., WARD 2
CRAIG "BOOTS" DIAZ, WARD 3
ROBBY ELLIS, WARD 4
JOEY BOSARGE, COUNCILMAN-AT-LARGE

Mayor and City Council
City of D'Iberville, Mississippi

We are pleased to submit the Comprehensive Annual Financial Report of the City of D'Iberville for the fiscal year ended September 30, 2016. The Administration of the City of D'Iberville is responsible for the information presented in this report. We believe the accompanying information is accurate and complete and fairly presents the financial position of the municipal government of the City of D'Iberville as of September 30, 2016, and results of operations for the fiscal year then ended.

Control Environment

The City's management is responsible for maintaining a system of internal controls sufficient to provide reasonable assurance that City assets are safeguarded from loss and that financial transactions are recorded timely and accurately. Reasonable assurance means that internal controls are selected or designed to reduce the risk of asset loss or inaccurate bookkeeping to an acceptable level, considering the constraint that the cost of control should not exceed the expected benefit. Management is responsible for communicating the purpose and importance of internal controls to employees and for providing the resources necessary to establish and maintain the control system.

Budgetary Controls

Prior to the beginning of each fiscal year, each department director prepares a projection of expenditures for their department. The City's Comptroller develops a projection of revenues for all funds and a projection of the expenditures not included in the departmental budgets. The revenue projections and proposed expenditures are presented to the City Manager. After reviewing the draft budget proposal, the City Manager meets with department directors to discuss their budget requests. Each director must justify their department's budget request by explaining the cost of the programs they propose for the coming year. When the City Manager is satisfied that the proposed budget conforms to the objectives and goals that he has set for the coming year, the entire budget proposal is presented to the City Council. During the budget workshop, the City Council will review, discuss, and question the proposed budget and make modifications to it. The Council will invite public comment on the taxing and spending plan at a special public hearing. After determining that the revenue projections in the budget are sound and that the proposed spending is necessary to provide the level of services and to accomplish the program goals and

capital improvements proposed in the budget, the City Council will adopt the budget. After adopting the budget for the coming year the City Council will set the property tax rate at a level that will generate the property revenue necessary to raise the budgeted ad valorem tax revenue.

Independent Audit

In accordance with Section 21-35-31, Miss Code of 1972 and guidelines prescribed by the State Auditor, the financial statements presented herein have been audited by Wright, Ward, Hatten & Guel, PLLC an independent firm of Certified Public Accountants. The objective of the auditors' work is to provide the auditor with a basis upon which to express an opinion on the fairness of the City's financial statements. The auditors' opinion is included in the Financial Section of this report. The auditors' work involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

State Department of Audit regulations require the independent auditor to disclose any instance of non-compliance with certain state laws, that may come to their attention during the audit of the City's financial statements.

Management's Discussion and Analysis

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of D'Iberville

The City of D'Iberville, incorporated in 1988, is located within Harrison County. Located at the juncture of Interstate Highways 10 & 110 and MS Highway 67, D'Iberville is uniquely positioned to develop and capture an even larger share of the gulf coast regional retail market.

The City of D'Iberville has operated under the council-manager form of government since 1988. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and five other members, all elected. The Council appoints the government's City Manager, who in turn appoints the heads of the various departments. The Mayor and the five council members serve four-year terms.

The City of D'Iberville provides a full range of services, including fire protection, police protection, water & sanitation, the construction and maintenance of streets and other infrastructure, planning and zoning, and recreational and cultural activities.

Economic Condition and Outlook

The City of D'Iberville was impacted by Hurricane Katrina which hit the Mississippi Gulf Coast in August of 2005. This Hurricane has been described as the worst natural disaster to ever occur in the United States. Approximately 40% of D'Iberville residents lost their homes.

Even eleven years later, recovery from Hurricane Katrina remains the focus of City Management. Insurance claim proceeds and disaster assistance from the Federal Emergency Management Agency (FEMA) have allowed the City to repair and/or replace most of the City's lost assets. FEMA has approved project worksheets for approximately \$22,000,000. As of the date of this report, all City-owned buildings have been repaired including City Hall. Employees moved into a three-story addition to the current City Hall in March 2011. The renovation of the existing structure was completed and occupied in February 2013. All vehicles, traffic signals, lift stations and street signs have been repaired and/or replaced. The project of replacing the old grinder pumps with a new gravity system in the southeast corner of the City was completed in May 2011.

Post-storm reinvestment by the private sector has been remarkable. As of the date of this report, various single family and multi-family housing projects have been approved for development as well as several new restaurants and retail establishments in the Promenade shopping center.

Sales tax revenue increased 49% from FY2005 to FY2006. Although there was a steady decline in sales tax revenue in FY2007 through FY2009, it increased approximately 22% from FY2009 to FY2010, largely due to the opening of the Promenade shopping center. Sales tax revenue has increased modestly every year from FY2011 to present. From FY2015 to FY2016, sales tax revenue increased over 13%.

Over the last ten years, the northeast quadrant of the I-10/I-110 Commercial District has exploded with growth. Called the Lakewood Shopping Center, anchor tenants on the 60 acre development include: Wal-Mart, Lowes, and dozens of small retail businesses comprising nearly 400,000 square feet of space with more under various stages of permitting and construction. Lakewood Development has started a chain reaction of similar development in the remaining quadrants of the interchange wishing to capitalize on this strategic location. The first stage of development of the northwest quadrant is complete with the opening of the Promenade shopping center, including Target, Kohl's and many other national chain retailers. Target opened in October 2009, and Kohl's opened in March 2011. The southeast and southwest quadrants are also on the drawing board for additional retail shopping centers, services, and housing. Together, the four quadrants of the I-10/I-110 Interchange represent the City's most potentially important retail location and development initiative.

More and more businesses and individuals are seeking a north shore location to develop that avoids the congestion and direct damage than can occur on the storm prone shoreline along the Mississippi Sound.

Casinos are also on the horizon for the City of D'Iberville. Scarlett Pearl Casino, the City's first casino, opened its doors in December 2015. D'Iberville has been and will continue to be a bedroom community, resort/gaming destination and regional retail hub.

The Mississippi Department of Employment Security does not publish an unemployment rate for the City of D'Iberville. Since we are located in Harrison County, we feel that the County's unemployment rate is indicative of unemployment in our City. That rate dropped from 5.8% in September 2015 to 5.6% in September 2016.

Governmental Fund Revenues

Government funds are used to account for most City functions and operations including the various City departments, grants, capital projects, and the City's general obligation debt payments. Figure 1 illustrates the relative amounts of various general governmental revenues for the fiscal year 2016. The City's three largest sources of revenues for general government functions are other intergovernmental revenue, sales tax, and ad valorem tax.

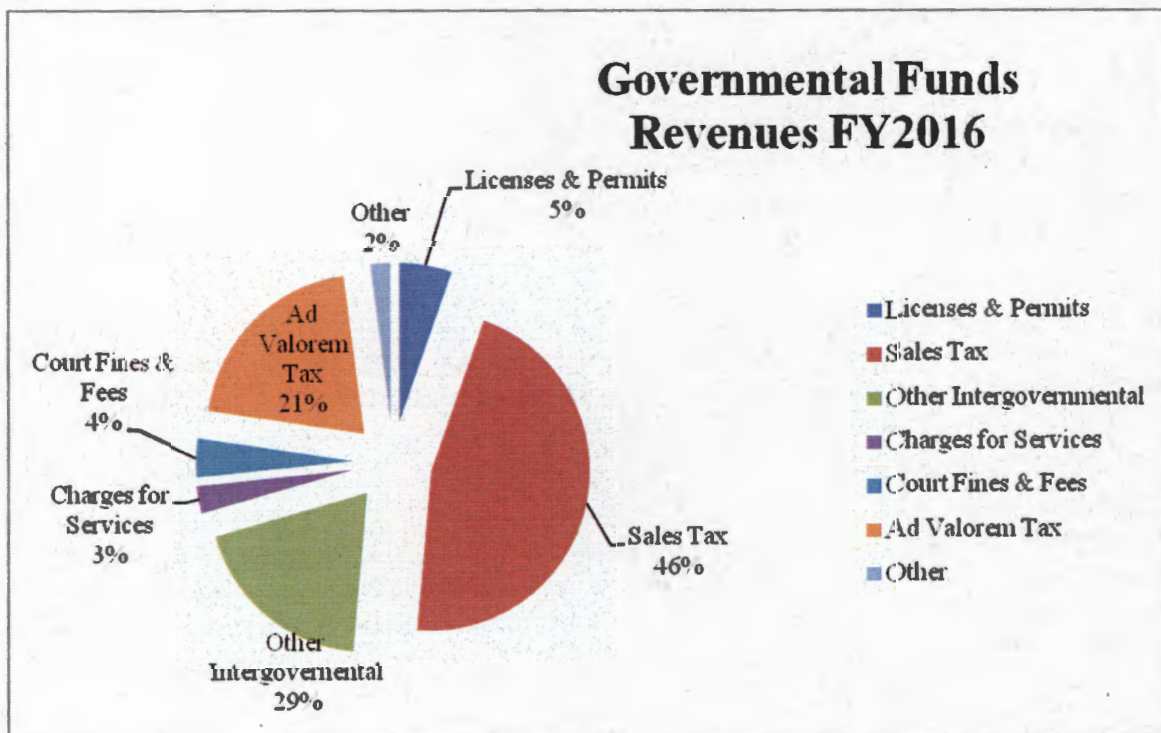


Figure 1

Intergovernmental revenues are collected by other governmental entities such as state government and distributed to the City. Other Intergovernmental Revenue includes taxes collected by the State of Mississippi and state and federal grants.

Property Taxes – In Mississippi, property taxes are levied by municipalities and counties on the assessed value of land and buildings, mobile homes, automobiles, business inventory and equipment. Assessed value is a prescribed percentage of true (appraised) value of each class of property.

Classes of property and assessment ratios are defined in Section 112 of the Mississippi Constitution of 1890.

<u>Class of Property</u>	<u>Ratio</u>
Class I Single-family, owner-occupied, residential real	10%
Class II All other real property, except Class I or Class IV	15%
Class III Personal property, except motor vehicles and Class IV	15%
Class IV Public Utility property	30%
Class V Motor Vehicles	30%

Ad valorem taxes are collected in arrears. The taxes for a calendar tax year are due by February 1 of the subsequent calendar year. Prior to the beginning of a new fiscal year, the City Council sets the tax rate (levy) that will generate the tax revenue needed for the upcoming fiscal year. In each fiscal year, the City collects the ad valorem taxes for the prior calendar tax year. The governing authorities of Harrison County both assess and collect the ad valorem taxes for the City of D'Iberville. The County then remits the amount collected for the City of D'Iberville monthly.

Sales Tax – State law requires sellers of goods and services to collect and remit to the state sales taxes of various rates specified in its statutes. A tax rate of 7% applies to retail sales of tangible personal property. Of the taxes collected by the state each month, 18.5% of the sales tax revenue from activities within a municipal corporation is remitted to the municipal government.

Figure 2 illustrates the relative amount of total expenditures for each service and function accounted for in the City's governmental funds for the fiscal year 2016. Capital outlay and public safety are the largest expenditure categories of the City's governmental funds in FY2016.

Governmental Funds Expenditures FY2016

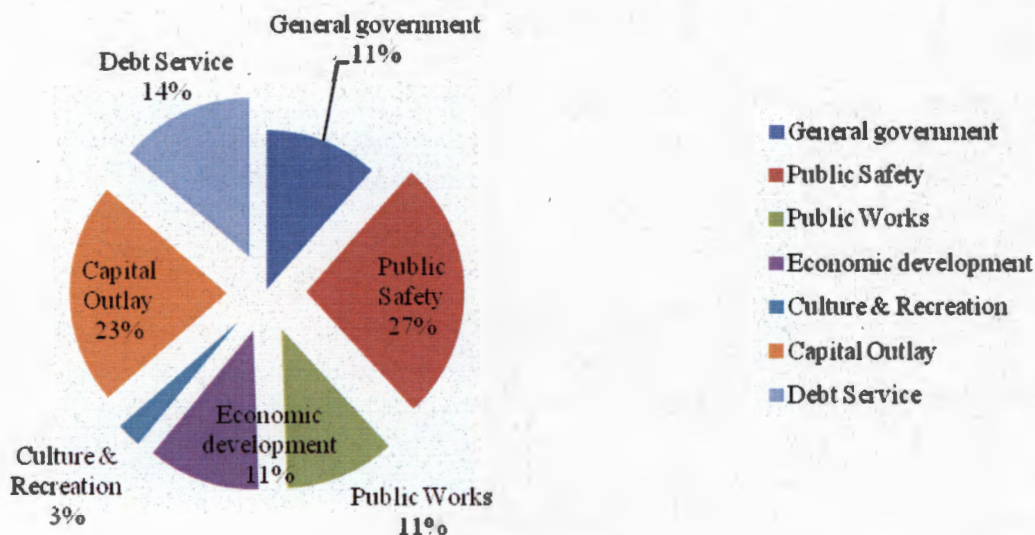


Figure 2

Debt Management

A municipality may finance its activities by incurring various forms of debt, from lease-purchase arrangements to long-term bonds. General obligation debt is bonds or notes secured by the governmental entity's pledge to levy tax adequate to repay the debt. Limited obligation bonds are secured by the pledge of a defined portion of the taxing power of the municipality. Revenue bonds are secured by a pledge of specific revenue sources other than ad valorem taxes such as revenue from a utility system.

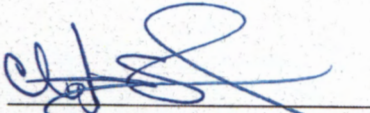
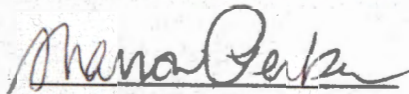
Cash Management

Mississippi laws address the investment of surplus money by municipalities and the investment of the proceeds of bonds separately. The investment of surplus money is limited to bonds or other direct obligations of the United States of America or the State of Mississippi or any county or municipality of this state or any school district or obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement deposit with a maturity of six months or less. Treasury Bills are purchased by a municipal depository under a Security Safekeeping Agreement.

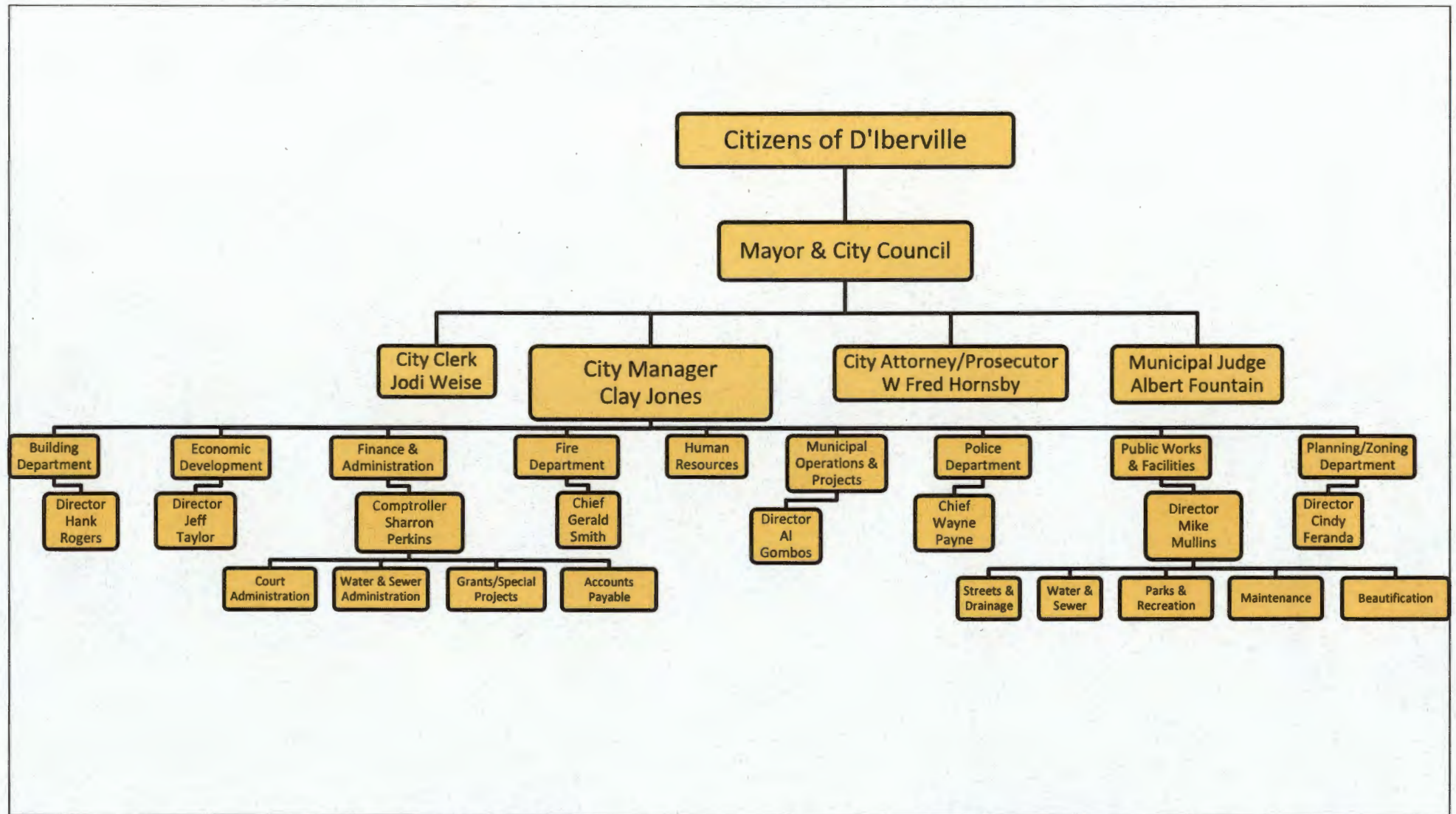
Major Initiatives

During FY2016, the City spent just over \$4,600,000 on capital outlay throughout the City, including street paving, buildings, equipment, and vehicles.

Respectfully submitted,


Clay Jones, City Manager
Sharron Perkins, Finance Director

CITY OF D'IBERVILLE ORGANIZATIONAL CHART



Mayor – Rusty Quave
Ward 1 – Randall Pelous
Ward 3 – Craig (Boots) Diaz

Councilman-at-Large – Joey Bosarge
Ward 2 – Henry Toncrey, Jr.
Ward 4 – Robby Ellis

SECTION II
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

Certified Public Accountants

HANCOCK BANK BUILDING

2510 - 14TH STREET

P.O. BOX 129

GULFPORT, MISSISSIPPI 39502

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

LEAH HOLLAND, CPA
CHRIS TAYLOR, CPA
CHARLENE KERKOW, CPA

MEMBERS
AMERICAN INSTITUTE OF CPAS
MISSISSIPPI SOCIETY OF CPAS

TELEPHONE (228) 863-6501
FAX NUMBER (228) 863-6544
EMAIL: THECPAFIRM@AOL.COM

INDEPENDENT AUDITORS' REPORT

March 15, 2017

To the Honorable Mayor and City Council
City of D'Iberville, 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 City of D'Iberville, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of D'Iberville, Mississippi, as of September 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-20, budgetary comparison information on pages 56-57 and the schedule of changes in the City's net pension and related ratios schedule on pages 58-59 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of D'Iberville, Mississippi's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements 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.

In addition, the State of Mississippi requires municipalities submit a schedule of surety bonds maintained for city personnel in compliance with § 21-17-5 of Mississippi Code of 1972. This schedule has been presented on page 71. This schedule is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of surety bonds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, on our consideration of the City of D'Iberville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of D'Iberville, Mississippi's internal control over financial reporting and compliance.

Other Reporting Required by State of Mississippi

In accordance with the State of Mississippi, we have also issued our report dated March 15, 2017, on our consideration of the City of D'Iberville's compliance with state laws and regulations. The purpose of that report is to describe the scope of our testing of internal controls over compliance with state laws and regulations and the result of that testing, and not to provide an opinion on internal controls or compliance. That report is an integral part of an audit performed in accordance with state guidelines in considering the City of D'Iberville's internal control over financial reporting and compliance.

Walt Ward Hester # 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Introduction

The following Management's Discussion and Analysis of the City of D'Iberville's ("the City") activities and financial performance provides an introduction to the financial statements of the City for the fiscal year ended September 30, 2016. The information contained in this Management's Discussion and Analysis has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

The components of the annual financial report include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information (RSI)

The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities. This MD&A provides comparisons with the previous year.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2016, by \$49,323,440.
- Net position of the City's governmental activities decreased by 2 percent, or \$30.6 million compared to \$30 million. *Unrestricted* net position changed from a \$1.4 million deficit at September 30, 2015, to a \$3.8 million deficit at the end of this year. *Unrestricted net* position reflects the component of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

This deficit in unrestricted governmental net position arose primarily because of three factors. First, during the fiscal year the City sold land that had been purchased with special obligation bonds. The land was no longer a City asset at year end, but the outstanding debt liability of \$3,360,000 incurred to purchase the land remained. Second, the City purchased a \$1.1 million fire truck during the year with cash, in lieu of acquiring additional debt. Finally, program revenues have decreased at a faster rate than the corresponding program expenses.

- The total net position increased by \$410,351. Of this amount a decrease of \$624,439 was associated with governmental activities and an increase of \$1,034,790 with business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,748,105, an increase of \$2,699,346 in comparison with the prior year's fund balance of \$9,048,759.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,592,170 or 71.2% of total general fund expenditures.

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, economic development, and parks and recreation. The major business-type activities of the City include providing water and sewer services to the residents of the City of D'Iberville.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting not only to ensure and demonstrate compliance with finance-related legal requirements but also to help control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Overview of the Financial Statements (Continued)

- **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and the capital projects funds, which are considered major funds, and the other governmental funds for the purpose of consistency.

The City adopts an annual budget for all of its fund groups. Budgetary comparison statements and schedules have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

- **Proprietary Fund**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains two enterprise funds. Information is presented in the proprietary statement of net position and the proprietary statement of revenues, expenses, and changes in net position for the water and sewer and the waterfront development funds.

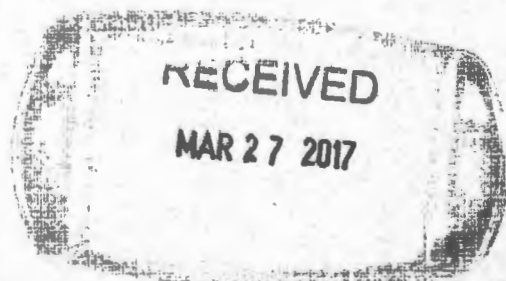
The proprietary fund financial statements can be found on pages 27-29 of this report.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 1 in the financial statements for more detailed information on the elements of the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. The budget comparison for the general fund is presented immediately after the basic financial statements as required supplementary information. All other funds' budget schedules are presented in the supplementary section of this report.



**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Government-wide Condensed Data Financial Analysis

City of D'Iberville's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$17,879,981	\$14,476,161	\$ 5,246,552	\$ 4,987,920	\$23,126,533	\$19,464,081
Capital assets, net	53,150,259	55,568,473	22,286,203	22,134,657	75,436,462	77,703,130
Total assets	<u>71,030,240</u>	<u>70,044,634</u>	<u>27,532,755</u>	<u>27,122,577</u>	<u>98,562,995</u>	<u>97,167,211</u>
Deferred outflows of resources						
Deferred amounts on refunding	59,030	-	422,615	-	481,645	-
Deferred amounts on pensions	2,773,921	1,653,222	404,283	236,822	3,178,204	1,890,044
Total deferred outflows	<u>2,832,951</u>	<u>1,653,222</u>	<u>826,898</u>	<u>236,822</u>	<u>3,659,849</u>	<u>1,890,044</u>
Liabilities						
Current and other liabilities	3,571,901	3,777,123	1,452,636	1,410,401	5,024,537	5,187,524
Long-term liabilities	36,027,543	33,755,125	7,531,067	7,579,203	43,558,610	41,334,328
Total liabilities	<u>39,599,444</u>	<u>37,532,248</u>	<u>8,983,703</u>	<u>8,989,604</u>	<u>48,583,147</u>	<u>46,521,852</u>
Deferred inflows of resources						
Deferred property tax revenue	4,211,088	3,296,877	-	-	4,211,088	3,296,877
Deferred amounts on pensions	93,027	284,660	12,142	40,777	105,169	325,437
Total deferred inflows	<u>4,304,115</u>	<u>3,581,537</u>	<u>12,142</u>	<u>40,777</u>	<u>4,316,257</u>	<u>3,622,314</u>
Net position						
Net investment in capital assets	33,618,225	30,821,910	16,190,048	15,426,369	49,808,273	46,248,279
Restricted - nonspendable	65,516	-	3,417	-	68,933	-
Restricted for:						
General government	37,075	34,448	-	-	37,075	34,448
Public safety	32,457	111,631	-	-	32,457	111,631
Capital projects	-	1,027,523	-	-	-	1,027,523
Debt service	-	-	-	561,370	-	561,370
Unrestricted	(3,793,641)	(1,411,441)	3,170,343	2,341,279	(623,298)	929,838
Total net position	<u>\$29,959,632</u>	<u>\$ 30,584,071</u>	<u>\$ 19,363,808</u>	<u>\$ 18,329,018</u>	<u>\$49,323,440</u>	<u>\$48,913,089</u>

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Government-wide Condensed Data Financial Analysis (Continued)

City of D'Iberville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 1,589,107	\$ 1,438,475	\$ 4,136,009	\$ 3,865,179	\$ 5,725,116	\$ 5,303,654
Operating grants	446,028	625,470	-	-	446,028	625,470
Capital grants	1,093,470	13,352,125	155,411	352,603	1,248,881	13,704,728
Total program revenues	3,128,605	15,416,070	4,291,420	4,217,782	7,420,025	19,633,852
General revenues						
Property taxes	3,298,107	3,282,355	1,522	1,555	3,299,629	3,283,910
Sales taxes	7,384,265	6,638,041	-	-	7,384,265	6,638,041
Franchise taxes	466,922	454,999	-	-	466,922	454,999
Other	1,889,631	1,303,499	357	78	1,889,988	1,303,577
Total general revenues	13,038,925	11,678,894	1,879	1,633	13,040,804	11,680,527
Total revenues	16,167,530	27,094,964	4,293,299	4,219,415	20,460,829	31,314,379
Program expenses						
General government	2,644,455	2,915,389	-	-	2,644,455	2,915,389
Public safety	6,197,523	5,219,511	-	-	6,197,523	5,219,511
Public works	3,388,586	3,039,357	-	-	3,388,586	3,039,357
Economic development	2,385,859	13,303,726	-	-	2,385,859	13,303,726
Culture and recreation	597,596	608,089	-	-	597,596	608,089
Interest	819,221	970,185	-	-	819,221	970,185
Bond issuance costs	92,872	-	-	-	92,872	-
Waterfront development	-	-	272,627	402,594	272,627	402,594
Water and sewer	-	-	3,613,821	3,217,449	3,613,821	3,217,449
Total expenses	16,126,112	26,056,257	3,886,448	3,620,043	20,012,560	29,676,300
Excess before special items and transfers	41,418	1,038,707	406,851	599,372	448,269	1,638,079
Special item - net loss on sale of capital assets	(37,918)	-	-	-	(37,918)	-
Transfers	(627,939)	(72,213)	627,939	72,213	-	-
Change in net position	(624,439)	966,494	1,034,790	671,585	410,351	1,638,079
Beginning net position	30,584,071	38,089,496	18,329,018	18,871,028	48,913,089	56,960,524
Prior period adjustments	-	(8,471,919)	-	(1,213,595)	-	(9,685,514)
Beg. net position, restated	30,584,071	29,617,577	18,329,018	17,657,433	48,913,089	47,275,010
Ending net position	<u>\$ 29,959,632</u>	<u>\$ 30,584,071</u>	<u>\$ 19,363,808</u>	<u>\$ 18,329,018</u>	<u>\$ 49,323,440</u>	<u>\$ 48,913,089</u>

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Government-wide Condensed Data Financial Analysis (Continued)

At September 30, 2016 and 2015, the City's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$49,323,440 and \$48,913,089, respectively. The largest portion of the City's total net position reflects its net investment in capital assets, less any related debt used to acquire or construct those assets. That amount increased in 2016 by \$3,559,994 to \$49,808,273, largely due to the sale of land originally purchased with special obligation bonds. Because the bonds have an outstanding fiscal year end balance of \$3,360,000 without an offsetting asset, the obligation is now reflected in unrestricted net position. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, representing resources that are subject to externally imposed restrictions, comprised .28% of total net position, as compared to 3.5% in the prior year. The remaining negative balance in the governmental activities represented unrestricted net position of \$3,793,641. A negative fund balance means that it would be necessary to convert restricted assets to unrestricted assets if all ongoing obligations were immediately due and payable. The positive balance of \$3,170,343 in the business-type activities may be used to meet ongoing obligations to citizens and creditors; however, internally imposed designations of certain resources further limit the purposes for which unrestricted net position can be used.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,748,105, an increase of \$2,699,346 in comparison with the prior year. 90% or \$10,520,794 of this combined total is unassigned, while \$67,036 is restricted for capital projects, \$956,081 is restricted for debt service, \$101,603 is restricted for public safety and \$37,075 is restricted for unemployment.

- **General Fund**

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. At the end of 2016, the general fund's unassigned fund balance represents a strong 71.2% of total general fund expenditures.

- **Non-Major Funds**

These are special revenue funds made up of various reimbursable grants that do not maintain any fund balances. The operating transfers into the funds totaling \$2,807,620 from the general fund represent the portion of the project costs that is the City's match.

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Financial Analysis of the Government's Funds (Continued)

Proprietary Funds

The Water & Sewer fund had an increase in net position totaling \$1,137,561 at the end of fiscal year 2016, largely due to grant funded capital projects and increased revenues from the growing water and sewer customer base. The decrease of \$102,771, in the Waterfront Development fund was a result of current year depreciation expense. The total increase in net position for the proprietary funds was \$1,034,790, for the year ended September 30, 2016.

Budget Variances in the General Fund

Amendments to the original budget increased total appropriations by \$566,216 and were a result of an increase in other services and charges in the general government category, along with supplies in general government, public safety and public works during the 2016 fiscal year; however actual expenditures were still under budget by \$1,386,112 at year end, as a result of a conservative fiscal management plan. Refer to the budgetary comparison schedule for the General Fund on page 56 in the RSI section of the annual report.

Capital Asset Activity

At September 30, 2016, the City reported \$53,150,259 in net capital assets for governmental activities and \$22,286,203 in capital assets for business-type activities. Additional information on the City of D'Iberville's capital assets can be found in Note 6: Capital Assets on pages 40-42 of this report.

**City of D'Iberville's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 13,421,051	\$ 18,576,281	\$ 356,080	\$ 356,080	\$ 13,777,131	\$ 18,932,361
Buildings & Improvements	16,296,364	14,870,661	1,921,507	2,042,229	18,217,871	16,912,890
Machinery & Equipment	2,868,260	1,891,662	173,439	55,516	3,041,699	1,947,178
Infrastructure & Systems	18,305,257	15,812,353	19,062,988	19,554,386	37,368,245	35,366,739
Construction in progress	2,259,327	4,417,516	772,189	126,371	3,031,516	4,543,887
Total	\$ 53,150,259	\$ 55,568,473	\$ 22,286,203	\$ 22,134,582	\$ 75,436,462	\$ 77,703,055

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Financial Analysis of the Government's Funds (Continued)

Long-Term Debt Activity

At the end of the current fiscal year, the City had \$31,249,732 in outstanding debt excluding compensated absences. Additional information on the City of D'Iberville's long-term debt can be found in Note 7: Long-Term Liabilities on pages 42-48 of this report.

	General Obligation, Revenue Bonds and Other Loans					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Tax Increment Bonds	\$ 16,050,000	\$ 14,665,000	\$ -	\$ -	\$ 16,050,000	\$ 14,665,000
Revenue Bonds	-	-	5,545,000	5,645,000	5,545,000	5,645,000
Certificates of Participation	2,305,000	2,460,000	-	-	2,305,000	2,460,000
General Obligation Bond	2,480,000	2,945,000	-	-	2,480,000	2,945,000
Special Obligation Bond	3,360,000	3,535,000	-	-	3,360,000	3,535,000
Notes Payable	-	-	823,776	1,004,543	823,776	1,004,543
Leases Payable	<u>685,956</u>	<u>753,218</u>	<u>-</u>	<u>-</u>	<u>685,956</u>	<u>753,218</u>
Total	<u>\$ 24,880,956</u>	<u>\$ 24,358,218</u>	<u>\$ 6,368,776</u>	<u>\$ 6,649,543</u>	<u>\$ 31,249,732</u>	<u>\$ 31,007,761</u>

Contact the City's Financial Management

Questions about this report or requests for additional financial information may be addressed to:

Sharron Perkins, Comptroller
City of D'Iberville, Mississippi
P.O. Box 6519
D'Iberville, MS 39540

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

EXHIBIT A

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,772,550	\$ 3,241,316	\$ 13,013,866
Receivables (net, where applicable, of allowances for uncollectible):			
Property taxes	4,211,088	-	4,211,088
Accounts	1,827,334	526,203	2,353,537
Due from other governments	658,734	48,746	707,480
Prepaid items	65,516	3,417	68,933
Restricted assets:			
Cash and cash equivalents	1,344,759	1,426,870	2,771,629
Capital assets:			
Non-depreciable	15,680,378	1,128,269	16,808,647
Depreciable, net of accumulated depreciation	37,469,881	21,157,934	58,627,815
Total assets	<u>71,030,240</u>	<u>27,532,755</u>	<u>98,562,995</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	59,030	422,615	481,645
Deferred amount on pension	2,773,921	404,283	3,178,204
Total deferred outflows of resources	<u>2,832,951</u>	<u>826,898</u>	<u>3,659,849</u>
LIABILITIES			
Current liabilities:			
Accounts payable	843,202	90,998	934,200
Accrued wages payable	240,140	26,492	266,632
Due to other governments	110,065	-	110,065
Accrued interest	128,329	124,509	252,838
Retainage payable	35,008	-	35,008
Unearned revenue	247,844	-	247,844
Long-term debt:			
Bonds payable	1,395,000	565,000	1,960,000
Certificates of participation payable	160,000	-	160,000
Capital leases payable	68,937	-	68,937
Notes payable	-	111,968	111,968
Compensated absences	93,376	10,066	103,442
Payable from restricted assets:			
Customer deposits	-	523,603	523,603
Payable to escrow agent	250,000	-	250,000
Total current liabilities	<u>3,571,901</u>	<u>1,452,636</u>	<u>5,024,537</u>
Noncurrent liabilities:			
Long-term debt:			
Bonds payable	20,945,170	5,057,880	26,003,050
Certificates of participation payable	2,145,000	-	2,145,000
Capital leases payable	617,019	-	617,019
Notes payable	-	711,808	711,808
Compensated absences	328,941	33,026	361,967
Net pension liability	11,991,413	1,728,353	13,719,766
Total noncurrent liabilities	<u>36,027,543</u>	<u>7,531,067</u>	<u>43,558,610</u>
Total liabilities	<u>39,599,444</u>	<u>8,983,703</u>	<u>48,583,147</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	4,211,088	-	4,211,088
Deferred amount on pension	93,027	12,142	105,169
Total deferred inflows of resources	<u>4,304,115</u>	<u>12,142</u>	<u>4,316,257</u>
NET POSITION			
Net investment in capital assets	33,618,225	16,190,048	49,808,273
Restricted - nonspendable	65,516	3,417	68,933
Restricted for:			
General government	37,075	-	37,075
Public safety	32,457	-	32,457
Unrestricted	(3,793,641)	3,170,343	(623,298)
TOTAL NET POSITION	<u>\$ 29,959,632</u>	<u>\$ 19,363,808</u>	<u>\$ 49,323,440</u>

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CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

EXHIBIT B

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 2,644,455	\$ 400,022	\$ -	\$ -	\$ (2,244,433)	\$ -	\$ (2,244,433)
Public safety	6,197,523	737,913	426,028	-	(5,033,582)	-	(5,033,582)
Public works	3,388,586	444,116	-	717,305	(2,227,165)	-	(2,227,165)
Economic development	2,385,859	5,216	-	376,165	(2,004,478)	-	(2,004,478)
Culture and recreation	597,596	1,840	20,000	-	(575,756)	-	(575,756)
Interest and fiscal charges	819,221	-	-	-	(819,221)	-	(819,221)
Bond issuance costs	92,872	-	-	-	(92,872)	-	(92,872)
Total governmental activities	16,126,112	1,589,107	446,028	1,093,470	(12,997,507)	-	(12,997,507)
Business-type activities:							
Water and sewer	3,613,821	4,121,564	-	-		\$ 507,743	507,743
Waterfront development	272,627	14,445	-	155,411		(102,771)	(102,771)
Total business-type activities	3,886,448	4,136,009	-	155,411		404,972	404,972
Total	\$ 20,012,560	\$ 5,725,116	\$ 446,028	\$ 1,248,881		404,972	(12,592,535)
General revenues:							
Property taxes, general purpose					3,298,107	-	3,298,107
Property taxes, special purpose					-	1,522	1,522
Sales taxes					7,384,265	-	7,384,265
Franchise taxes					466,922	-	466,922
Grants and contributions not restricted					146,874	-	146,874
Gaming revenue					1,391,924	-	1,391,924
Interest earnings					60,042	357	60,399
Insurance proceeds					18,537	-	18,537
Lease revenues					160,607	-	160,607
Other					111,647	-	111,647
Special item - Net loss on sale of capital assets					(37,918)	-	(37,918)
Transfers					(627,939)	627,939	-
Total general revenues and transfers					12,373,068	629,818	13,002,886
Change in net position					(624,439)	1,034,790	410,351
Net position, beginning					30,584,071	18,329,018	48,913,089
Net position, ending					\$ 29,959,632	\$ 19,363,808	\$ 49,323,440

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF D'IBERVILLE, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

EXHIBIT C

	General Fund	Projects Fund	Non-major Funds	Total Funds
ASSETS				
Cash and cash equivalents	\$ 9,538,891	\$ 41,170	\$ 192,489	\$ 9,772,550
Receivables (net, where applicable, of allowances for uncollectible):				
Property taxes	4,211,088	-	-	4,211,088
Sales taxes	1,156,696	-	-	1,156,696
Franchise taxes	161,831	-	-	161,831
Due from other governments	275,146	-	383,588	658,734
Garbage fees	64,278	-	-	64,278
Court fines & fees	444,529	-	-	444,529
Due from other funds	75,034	-	-	75,034
Prepaid items	65,217	-	299	65,516
Restricted assets:				
Cash and cash equivalents	388,678	-	956,081	1,344,759
Total assets	<u>16,381,388</u>	<u>41,170</u>	<u>1,532,457</u>	<u>17,955,015</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 403,033	\$ -	\$ 440,169	\$ 843,202
Due to other governments	110,065	-	-	110,065
Accrued wages payable	240,140	-	-	240,140
Retainage payable	-	-	35,008	35,008
Due to other funds	-	-	75,034	75,034
Unearned revenue	176,468	-	71,376	247,844
Total liabilities	<u>929,706</u>	<u>-</u>	<u>621,587</u>	<u>1,551,293</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	4,211,088	-	-	4,211,088
Deferred court fine revenue	444,529	-	-	444,529
Total deferred inflows of resources	<u>4,655,617</u>	<u>-</u>	<u>-</u>	<u>4,655,617</u>
FUND BALANCES				
Nonspendable for:				
Prepaid items	65,217	-	299	65,516
Restricted for:				
Unemployment	37,075	-	-	37,075
Debt service	-	-	956,081	956,081
Public safety	101,603	-	-	101,603
Capital projects	-	41,170	25,866	67,036
Unassigned	10,592,170	-	(71,376)	10,520,794
Total fund balances	<u>10,796,065</u>	<u>41,170</u>	<u>910,870</u>	<u>11,748,105</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,381,388</u>	<u>\$ 41,170</u>	<u>\$ 1,532,457</u>	<u>\$ 17,955,015</u>

CITY OF D'IBERVILLE, MISSISSIPPI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

EXHIBIT C-1

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 11,748,105
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds

Governmental capital assets	70,044,342	
Less: accumulated depreciation	<u>(16,894,083)</u>	53,150,259

Premium on bonds issued are capitalized and amortized on the statement of net position	(470,108)
--	-----------

Discount on bonds issued are deferred and amortized on the statement of net position	19,938
--	--------

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

Outstanding debt issues	(24,880,956)	
Compensated absences	(422,317)	
Net pension liability	(11,991,413)	
Payable to escrow agent	(250,000)	

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	444,529
--	---------

Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds	(128,329)
---	-----------

Deferred outflows and inflows of resources related to long-term liabilities are applicable to future periods and, therefore, are not reported in the governmental funds:

Pension	2,680,894	
Advance bond refunding	59,030	

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 29,959,632</u>
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CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

EXHIBIT D

	General Fund	Capital Projects Fund	Non-major Funds	Total Funds
REVENUES				
Property taxes	\$ 3,298,107	\$ -	\$ -	\$ 3,298,107
Sales taxes	7,384,265	-	-	7,384,265
Franchise taxes	466,922	-	-	466,922
Licenses and permits	399,882	-	-	399,882
Intergovernmental	2,245,124	968	832,204	3,078,296
Charges for services	446,097	-	-	446,097
Fines and fees	634,356	-	-	634,356
Interest income	59,845	197	-	60,042
Lease income	160,607	-	-	160,607
Miscellaneous	115,496	-	-	115,496
Total revenues	15,210,701	1,165	832,204	16,044,070
EXPENDITURES				
Current:				
General government	2,349,792	-	-	2,349,792
Public safety	5,269,045	-	140,419	5,409,464
Public works	2,105,399	-	188,530	2,293,929
Economic development	-	2,353,432	-	2,353,432
Culture and recreation	526,687	-	-	526,687
Capital outlay	4,590,404	9,840	-	4,600,244
Debt service:				
Principal	-	-	1,652,262	1,652,262
Interest and fiscal charges	18,603	-	1,030,374	1,048,977
Bond issuance costs	-	92,872	-	92,872
Total Expenditures	14,859,930	2,456,144	3,011,585	20,327,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	350,771	(2,454,979)	(2,179,381)	(4,283,589)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,849,718	3,849,718
Transfers (out)	(2,807,620)	-	(1,670,037)	(4,477,657)
Proceeds from sale of assets	5,141,765	-	-	5,141,765
Insurance proceeds	18,537	-	-	18,537
Proceeds from refunding bonds issued	-	2,455,200	-	2,455,200
Unamortized premium on refunding bonds	-	86,289	-	86,289
Proceeds from TIF bonds issued	-	2,400,000	-	2,400,000
Payment to bond refunding escrow agent	-	(2,490,917)	-	(2,490,917)
Total other financing sources (uses)	2,352,682	2,450,572	2,179,681	6,982,935
NET CHANGE IN FUND BALANCES	2,703,453	(4,407)	300	2,699,346
FUND BALANCES, BEGINNING	8,092,612	45,577	910,570	9,048,759
FUND BALANCES, ENDING	\$ 10,796,065	\$ 41,170	\$ 910,870	\$ 11,748,105

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



CITY OF D'IBERVILLE, MISSISSIPPI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016

EXHIBIT D-1

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,699,346

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

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	4,600,244	
Depreciation	<u>(1,840,140)</u>	2,760,104

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Net loss on sale/donation of capital assets	(37,218)	
Proceeds from the sale of assets	<u>(5,141,100)</u>	(5,178,318)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds

Net change in court fine revenues		103,557
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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 position. This amount is the net effect of these differences in the treatment of

Repayment of principal	4,107,262	
Proceeds from issuance of bonds	(4,880,000)	
Premium on bond refunding	<u>(86,289)</u>	(859,027)

The amortization of the discount and premium are treated as a reduction to expense on the statement of activities

24,464

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.

Change in net pension liability	(1,715,348)	
Change in compensated absences	(37,558)	
Change in accrued interest payable	206,979	
Change in deferred inflows and outflows of resources		
Deferred amount on refunding	59,030	
Deferred amounts on pension	<u>1,312,332</u>	(174,565)

NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (624,439)</u>
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PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016

EXHIBIT E

	Water & Sewer Fund	Waterfront Development Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,206,375	\$ 34,941	\$ 3,241,316
Accounts receivable, net	523,552	2,651	526,203
Due from other governments	-	48,746	48,746
Prepaid items	3,417	-	3,417
Restricted assets:			
Cash and cash equivalents	1,423,750	3,120	1,426,870
Total current assets	<u>5,157,094</u>	<u>89,458</u>	<u>5,246,552</u>
Noncurrent assets			
Capital assets:			
Nondepreciable	806,069	322,200	1,128,269
Depreciable, net of accumulated depreciation	19,293,931	1,864,003	21,157,934
Total noncurrent assets	<u>20,100,000</u>	<u>2,186,203</u>	<u>22,286,203</u>
Total assets	<u>25,257,094</u>	<u>2,275,661</u>	<u>27,532,755</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	422,615	-	422,615
Deferred amount on pension	404,283	-	404,283
Total deferred outflows of resources	<u>826,898</u>	<u>-</u>	<u>826,898</u>
Total assets and deferred outflows of resources	<u>26,083,992</u>	<u>2,275,661</u>	<u>28,359,653</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 73,032	\$ 17,966	\$ 90,998
Accrued wages payable	26,492	-	26,492
Accrued interest	124,509	-	124,509
Long-term debt:			
Bonds payable	565,000	-	565,000
Notes payable	111,968	-	111,968
Compensated absences	10,066	-	10,066
Payable from restricted assets:			
Customer deposits	520,483	3,120	523,603
Total current liabilities	<u>1,431,550</u>	<u>21,086</u>	<u>1,452,636</u>
Noncurrent liabilities			
Long-term debt:			
Bonds payable	5,057,880	-	5,057,880
Notes payable	711,808	-	711,808
Compensated absences	33,026	-	33,026
Net pension liability	1,728,353	-	1,728,353
Total noncurrent liabilities	<u>7,531,067</u>	<u>-</u>	<u>7,531,067</u>
Total liabilities	<u>8,962,617</u>	<u>21,086</u>	<u>8,983,703</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on pension	12,142	-	12,142
Total deferred inflows of resources	<u>12,142</u>	<u>-</u>	<u>12,142</u>
Total liabilities and deferred inflows of resources	<u>8,974,759</u>	<u>21,086</u>	<u>8,995,845</u>
NET POSITION			
Net investment in capital assets	14,003,845	2,186,203	16,190,048
Restricted - nonspendable	3,417	-	3,417
Unrestricted	3,101,971	68,372	3,170,343
TOTAL NET POSITION	<u>\$ 17,109,233</u>	<u>\$ 2,254,575</u>	<u>\$ 19,363,808</u>

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

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CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED SEPTEMBER 30, 2016

EXHIBIT F

	Water & Sewer Fund	Waterfront Development Fund	Total
OPERATING REVENUES			
Charges for services	\$ 4,121,564	\$ 14,445	\$ 4,136,009
Total operating revenues	<u>4,121,564</u>	<u>14,445</u>	<u>4,136,009</u>
OPERATING EXPENSES			
Personnel services	796,480	-	796,480
Pension expense	169,807	-	169,807
Professional fees	39,080	60,935	100,015
Contract services -water and sewer treatment	1,195,669	-	1,195,669
Office expenses and utilities	295,120	5,527	300,647
Repairs and maintenance	248,686	2,317	251,003
Other services and charges	-	84,560	84,560
Total operating expenses	<u>2,744,842</u>	<u>153,339</u>	<u>2,898,181</u>
OPERATING INCOME (LOSS)			
BEFORE DEPRECIATION	1,376,722	(138,894)	1,237,828
Depreciation expense	<u>511,724</u>	<u>119,288</u>	<u>631,012</u>
OPERATING INCOME (LOSS)	<u>864,998</u>	<u>(258,182)</u>	<u>606,816</u>
NON-OPERATING REVENUES			
(EXPENSES)			
Interest income	357	-	357
Property tax revenue	1,522	-	1,522
Grant revenue	-	155,411	155,411
Interest expense	(242,127)	-	(242,127)
Bond issuance costs	(115,128)	-	(115,128)
Total non-operating revenues (expenses)	<u>(355,376)</u>	<u>155,411</u>	<u>(199,965)</u>
INCOME (LOSS) BEFORE TRANSFERS	509,622	(102,771)	406,851
TRANSFERS IN	627,939	-	627,939
CHANGE IN NET POSITION	<u>1,137,561</u>	<u>(102,771)</u>	<u>1,034,790</u>
NET POSITION, BEGINNING	15,971,672	2,357,346	18,329,018
NET POSITION, ENDING	<u>\$ 17,109,233</u>	<u>\$ 2,254,575</u>	<u>\$ 19,363,808</u>

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

EXHIBIT G

	Water & Sewer Fund	Waterfront Development Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,132,230	\$ 13,380	\$ 4,145,610
Payments to employees	(900,834)	-	(900,834)
Payments to suppliers	(1,196,331)	-	(1,196,331)
Payments for other goods and services	(576,349)	(169,243)	(745,592)
Net cash from operating activities	<u>1,458,716</u>	<u>(155,863)</u>	<u>1,302,853</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	1,522	-	1,522
Receipt of grant revenues	-	175,165	175,165
Net cash from non-capital financing activities	<u>1,522</u>	<u>175,165</u>	<u>176,687</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds of debt issuance	5,069,158	-	5,069,158
Purchase of capital assets	(154,693)	-	(154,693)
Bond principal payments	(5,825,767)	-	(5,825,767)
Interest expense	(194,632)	-	(194,632)
Bond issuance costs	(115,128)	-	(115,128)
Net cash from capital and related financing activities	<u>(1,221,062)</u>	<u>-</u>	<u>(1,221,062)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	357	-	357
Net cash from investing activities	<u>357</u>	<u>-</u>	<u>357</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>239,533</u>	<u>19,302</u>	<u>258,835</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>4,390,592</u>	<u>18,759</u>	<u>4,409,351</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 4,630,125</u></u>	<u><u>\$ 38,061</u></u>	<u><u>\$ 4,668,186</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 864,998	\$ (258,182)	\$ 606,816
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	511,724	119,288	631,012
(Increase) decrease in:			
Receivables	(14,451)	(1,683)	(16,134)
Prepaid items	(3,342)		(3,342)
Increase (decrease) in:			
Accounts payable	10,092	(15,904)	(5,812)
Accrued wages payable	6,843	-	6,843
Pension items	60,220	-	60,220
Compensated absences payable	(1,610)	-	(1,610)
Customer deposits	24,242	618	24,860
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 1,458,716</u></u>	<u><u>\$ (155,863)</u></u>	<u><u>\$ 1,302,853</u></u>
NONCASH TRANSACTIONS			
Contributions of capital assets from other funds	627,939	-	627,939
TOTAL NONCASH TRANSACTIONS	<u><u>\$ 627,939</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 627,939</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Introduction

The City of D'Iberville, Mississippi the (City) was incorporated on February 10, 1988, under the provisions of the State of Mississippi. The City operates under a council-manager form of government, and is authorized to provide various services under State law.

The City of D'Iberville is a municipal corporation governed by an elected five member council and mayor. Each of the council members and the mayor serves a four year term.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2016.

II. Financial Reporting Entity

The accompanying financial statements present the City's governmental units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or functional relationships with the City (as distinct from legal relationships).

Component unit criteria are based on identification of legally separate organizations for which the elected officials of the City are financially accountable. The City has no component units.

In accordance with a pre-incorporation agreement, the D'Iberville schools continue to be operated and maintained by the Harrison County School District. The City does not appoint any of the members of the school board, and the property taxes that are collected from residents within the City for the school district are paid directly to the school district by the Harrison County Tax Collector.

Management has identified one joint venture (Harrison County Utility Authority), and one jointly governed organization (Harrison County Library System). A joint venture is a legal entity or other organization that results from a contractual arrangement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. 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, there is no ongoing significant financial interest or responsibility by the participating governments.

III. Government-Wide and Fund Financial Statements

(A) Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activities has been removed from these statements. Governmental activities, which are normally 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.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 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.

(B) Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns within the fund financial statements.

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

(A) Basis of Accounting

The City's financial statements are prepared in accordance with accounting principles generally accepted in the U.S. (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so, has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

(B) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund – The general fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those accounted for in other funds.

Capital Projects Fund – The capital projects fund is used by the City to account for funds designated by law for capital projects (such as proceeds of any bond issue).

Proprietary Funds

The City reports the following major proprietary funds:

Utility Fund – The utility fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing water and sewer services to the residents of the City of D'Iberville on a continuing basis are financed or recovered primarily through user charges.

Waterfront Development Fund – The waterfront development fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing boat slips to the residents of the City of D'Iberville will be financed or recovered primarily through user charges in the form of rental receipts.

(C) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The City reports receivables at net realizable value. The allowance for doubtful accounts determination is based on historical losses and current economic conditions. Delinquent receivables are analyzed on a continuing basis, and once those receivables are determined to be uncollectible, they are written off through a charge against an existing allowance account.

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Assets, Liabilities, and Net Position or Fund Equity

(A) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's cash and cash equivalents are primarily considered to be cash on hand, amounts held in demand deposits, all certificates of deposits and cash equivalents, which are short-term highly liquid investments that are readily convertible into cash (including restricted assets) in generally three months or less.

(B) Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that these funds are not available for appropriation and are not expendable available financial resources. There are no advances between funds at year-end.

(C) Restricted Assets/Resources

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws. Restricted assets in the utility fund represent principal payments due for the repayment of the 2010 series and 2011 series of the Mississippi Development Bank's water and sewer special obligation bonds (as required by the debt covenant). The amounts that are designated as utility customer meter deposits are classified as restricted as well.

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

(D) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns within the government-wide financial statements. Capital assets, other than buildings, improvements other than buildings and infrastructure assets, are defined by the government as assets with an initial, individual cost of \$5,000 or more (amount not rounded) and an estimated useful life in excess of one year.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated capital assets are recorded at estimated fair value at the date of donation. In the fund-level financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for as they are in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of that asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the constructed assets. No interest cost was capitalized during the current fiscal year.

Property, plant, equipment and infrastructure assets of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20-40 years
Infrastructure-roads	20 years
Infrastructure-bridges	50 years
Utility system infrastructure	40-50 years
Heavy equipment	10 years
Furniture and fixtures	7 years
Vehicles and equipment	5 years
Computer equipment and peripherals	3 years

(E) Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

The governmental fund financial statements recognize the proceeds of debt and premiums related to debt, if any, as other financing sources of the current period. Issuance costs, if any, are reported as expenditures at the time incurred.

(F) Compensated Absences

The City has two types of compensated absences that are described as follows:

- *Vacation* – Full time employees are granted 9 to 27 vacation days per year depending on the employee's length of service.
- *Sick Leave* – Full-time employees are granted 12 sick leave days per year. However, unused sick leave is not reimbursed upon termination.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental fund financial statements, the amount of accumulated vacation leave has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The compensated absences liability is computed using the specific identification method whereby the actual number of vacation hours is multiplied by the employee's hourly rate at September 30, 2016.

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.

(G) Deferred Outflows/Inflows 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, 2016, the City reported deferred outflows pertaining to pensions of \$3,178,204 and deferred outflows on advance refunding in the amount of \$481,645.

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, 2016, the City reported deferred inflows pertaining to pensions of \$105,169 and deferred property tax revenue of \$4,211,088.

(H) Fund Equity

Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact

Restricted—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors

Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the budget reserve account

Assigned—Amounts that are designated by management for a specific purpose but are not spendable until a budget ordinance is passed by City Council

Unassigned—All amounts not included in other spendable classifications

As discussed in Note 1: V. (C), restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the assignment has been changed by management. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Net Position

Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources.

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 improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

(J) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(K) New Accounting Pronouncements

The City adopted the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB 67 and GASB 68* ("GASB 73"). GASB 73 provides guidance on assets accumulated for pension plans that are not administered through a trust and provides clarity on certain provisions of GASB 67 and GASB 68. The impact of this statement in relation to GASB 67 and GASB 68 is discussed in detail in Note 7.

The City adopted the provisions of GASB Statement No 82, *Pension Issues* ("GASB 82"). GASB 82 addresses practice issues raised during the implementation of the GASB's pension accounting and financial reporting standards for state and local governments. The impact of this statement in relation to GASB 67 and GASB 68 is discussed in detail in Note 7.

(L) Comparative Data and Reclassifications

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS

A summary of cash and cash equivalents as of September 30, 2016, is as follows:

	Cash and Cash Equivalents		
	Unrestricted	Restricted	Total
Governmental activities:			
General fund	\$ 9,538,891	\$ 388,678	\$ 9,927,569
Capital projects fund	41,170	-	41,170
Non-major funds	192,489	956,081	1,148,570
	<u>9,772,550</u>	<u>1,344,759</u>	<u>11,117,309</u>
Business-type activities:			
Water & Sewer fund	3,206,375	1,423,750	4,630,125
Waterfront development fund	34,941	3,120	38,061
	<u>3,241,316</u>	<u>1,426,870</u>	<u>4,668,186</u>
	<u>\$ 13,013,866</u>	<u>\$ 2,771,629</u>	<u>\$ 15,785,495</u>

The carrying amount of the City's total deposits with financial institutions at September 30, 2016, was \$15,785,495 and the bank balance was \$16,284,446. The \$2,771,629 restricted amount is composed of: \$37,075 for unemployment; \$101,603 for public safety purchases; \$1,760,785 for debt service reserves; unspent loan proceeds of \$348,563; and customer deposits totaling \$523,603.

Custodial Credit Risk – Deposits

Custodial credit risk is 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 formal policy for custodial credit risk. However, the City follows state statutes that allow public entities to select depositories on the basis of competitive bid. Depositories must be covered by Federal Deposit Insurance Corporation (FDIC) or collateralized in an amount equal to 105% of the uninsured deposit. The collateral is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 of the Mississippi Code. Under this program, the City's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not recovered by the FDIC.

NOTE 3: RECEIVABLES

(A) Due from other governments

The City reported the following amounts as due from other governments as of September 30, 2016:

	Governmental Activities			Business-Type	Total Government-wide
	General Fund	Non-major Funds	Total Governmental	Waterfront Dev. Fund	
Harrison County - SRO	\$ 54,056	\$ -	\$ 54,056	\$ -	\$ 54,056
State of Mississippi - Gaming	199,293	-	199,293	-	199,293
State of Mississippi - MDOT	-	347,475	347,475	-	347,475
State of Mississippi - Tidelands	-	-	-	7,156	7,156
State of Mississippi - CIAP	-	-	-	41,590	41,590
Other Public Safety Grants	21,797	36,113	57,910	-	57,910
Total due from other governments	<u>\$ 275,146</u>	<u>\$ 383,588</u>	<u>\$ 658,734</u>	<u>\$ 48,746</u>	<u>\$ 707,480</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 3: RECEIVABLES (Continued)

(B) Utility Accounts Receivable

Utility customer receivables consist of the following at September 30, 2016:

Water and sewer utility charges billed but uncollected	\$ 1,058,630
Water and sewer utility charges accrued but unbilled at year end	220,606
Less: Allowance for uncollectible accounts	<u>(755,684)</u>
Utility accounts receivable	<u>\$ 523,552</u>

NOTE 4: INTERFUND ASSETS/LIABILITIES

(A) Interfund Transfers

The following transfers were made between funds during the year ended September 30, 2016:

Transfers From	Transfers To	Amount
General	CDBG fund	\$ 117,200
General	Municipal Fire Rebate fund	25,308
General	DUI Grant fund	26,627
General	JAG Grant fund	10,661
General	MDOT Grant fund	31,205
General	Debt Service fund	2,596,619
Municipal Fire Rebate fund	Debt Service fund	86,017
Promenade Capital Projects fund	Debt Service fund	956,081
Lamey Bridge Utility Relocation fund	Water and Sewer fund	<u>627,939</u>
Total		<u>\$ 4,477,657</u>

Transfers are indicative of the City's matching portion of various capital projects, lease payments, debt service, subsidies of various City operations, and re-allocations of special revenues. The \$2,807,620 of transfers from the general fund was primarily transferred to the debt service fund for principal and interest payments. The general fund also made transfers to the non-major funds for the City's match requirements for certain federal and state grants. The non-major funds transferred a net \$2,179,681 within the non-major funds and \$627,939 out to the water and sewer fund for capital related grant expenditures.

(B) Due To/From Other Funds/Advances

Receivable Fund	Payable Fund	Amount
General	DUI Grant Fund	\$ 18,388
General	JAG Grant Fund	17,725
General	MDOT Sangani Utilities Fund	<u>38,921</u>
Total		<u>\$ 75,034</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 5: NET POSITION

The detail of net position as of September 30, 2016, is as follows:

Governmental Activities:

Net investment in capital assets:

Add: capital assets		\$ 70,044,342
Less: accumulated depreciation		(16,894,083)
Less: outstanding balances of borrowings for capital asset acquisition:		
GO refunding bond, 2016 series	(2,480,000)	
TIF Bond 1999	(340,000)	
TIF Bond 2004	(1,140,000)	
TIF Bond 2008	(1,620,000)	
TIF Bond 2013	(10,550,000)	
Certificates of participation	(2,305,000)	
Capital leases	(685,956)	
Premium - TIF Bond 2013	(386,216)	
Premium - GO refunding bond, 2016 series	(83,892)	(19,591,064)
Add: deferred outflows of resources attributable to capital asset acquisition		59,030
Net investment in capital assets		<u>33,618,225</u>

Restricted assets:

Add: cash and cash equivalents		1,344,759
Less: liabilities related to restricted assets:		
Certificate of participation - cash restricted for debt service		(69,146)
Cash received from 2013 TIF refunding - debt service reserve fund		(956,081)
Payable to escrow agent - to defease 2009 debt		(250,000)
Restricted net position		<u>69,532</u>

Nonspendable - prepaid insurance

65,516

Unrestricted net position

(3,793,641)

Total governmental activities net position

\$ 29,959,632

Business-type Activities:

Net investment in capital assets:

Add: capital assets		\$ 34,193,599
Less: accumulated depreciation		(11,907,396)
Less: outstanding balances of borrowings for capital asset acquisition:		
Revenue refunding bond, 2016 series	(5,545,000)	
Notes payable	(475,213)	
Premium - Revenue refunding bond, 2016 series	(77,880)	(6,098,093)
Less: accounts and retainage payable on construction in process		(420,677)
Add: deferred outflows of resources attributable to capital asset acquisition		422,615
Net investment in capital assets		<u>16,190,048</u>

Restricted assets:

Add: cash and cash equivalents		1,078,307
Add: unspent debt proceeds on SCDL/FEMA loan		348,563
Less: liabilities related to restricted assets:		
Cash received from 2016 refunding - debt service reserve fund		(554,500)
SCDL/FEMA Loan payable		(348,563)
Payable to escrow agent - to defease 2009 debt		(204)
Customer deposits		(523,603)
Restricted net position		<u>-</u>

Nonspendable - prepaid insurance

3,417

Unrestricted net position

3,170,343

Total business-type net position

\$ 19,363,808

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 5: NET POSITION (Continued)

The \$3,793,641 deficit in unrestricted governmental net position can largely be explained by the City's capital asset activity during the year. The City sold land that was originally purchased with special obligation bonds, which resulted in a reclassification of \$3,360,000 for the outstanding balance on the bonds from net investment in capital assets to unrestricted net position. Additionally, the City made a cash purchase of a new \$1.1 million fire truck during the fiscal year.

A deficit unassigned fund balance of \$71,376 exists in the MDOT Sangani Utilities special revenue fund. The deficit relates to a dispute that began in fiscal year 2012, between the City and MDOT regarding payment to a contractor above the amount allocated for construction. The City is still pursuing reimbursement as of September 30, 2016.

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, is as follows:

	Balance October 1	Additions	Disposals/ Adjustments	Balance September 30
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 18,576,281	\$ -	\$ (5,155,230)	\$ 13,421,051
Construction in progress	4,417,516	330,690	(2,488,879)	2,259,327
Total capital assets not being depreciated	22,993,797	330,690	(7,644,109)	15,680,378
Capital assets being depreciated:				
Buildings	12,148,442	2,000,000	-	14,148,442
Machinery and equipment	2,273,021	269,902	-	2,542,923
Improvements other than Buildings	7,675,408	-	-	7,675,408
Infrastructure	21,510,579	704,972	2,488,879	24,704,430
Vehicles	3,475,737	1,294,680	(230,874)	4,539,543
Leased Property under capital leases	753,218	-	-	753,218
Total capital assets being depreciated	47,836,405	4,269,554	2,258,005	54,363,964
Less accumulated depreciation:				
Buildings	1,121,288	269,538	-	1,390,826
Machinery and equipment	1,758,196	129,491	-	1,887,687
Improvements other than Buildings	3,831,901	304,759	-	4,136,660
Infrastructure	5,698,226	700,947	-	6,399,173
Vehicles	2,829,521	299,826	(207,786)	2,921,561
Leased property under capital leases	22,597	135,579	-	158,176
Total accumulated depreciation	15,261,729	1,840,140	(207,786)	16,894,083
Total capital assets being depreciated, net	32,574,676	2,429,414	2,465,791	37,469,881
Governmental activities capital assets, net	\$ 55,568,473	\$ 2,760,104	\$ (5,178,318)	\$ 52,150,259

Nonmonetary Transaction - Special Item

During the year, the City entered into a transaction with Ramco Real Estate, LLC under which the City exchanged land for a building to house the City's Public Works. Land with a net book value of \$5,155,230 (appraised at \$6,900,000) was exchanged for a building (appraised at \$2,000,000) and \$3,141,100 in cash. A reimbursement of \$6,700 for half of the appraisal fees was included in this amount and \$6,000 was withheld at closing for title insurance. A loss of \$14,830 for this transaction is reported as a special item, following general revenues, in the government-wide statement of activities.

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6: CAPITAL ASSETS (Continued)

Also, an additional \$23,088 loss is reported as a special item following general revenues in the government-wide statement of activities for the donation of two fully depreciated fire trucks (salvage value); one to the City of Diamondhead and one to Pearl River County.

	Balance October 1	Additions	Disposals/ Adjustments	Balance September 30
<u>Business - type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 356,080	\$ -	\$ -	\$ 356,080
Construction in progress	126,371	645,818	-	772,189
Total capital assets not being depreciated	482,451	645,818	-	1,128,269
Capital assets being depreciated:				
Buildings	343,942	-	-	343,942
Machinery and equipment	171,155	58,115	-	229,270
Water, sewer and gas systems	29,177,501	-	-	29,177,501
Boat slips and piers	3,128,466	-	-	3,128,466
Vehicles	107,451	78,700	-	186,151
Total capital assets being depreciated	32,928,515	136,815	-	33,065,330
Less accumulated depreciation:				
Buildings	110,796	5,382	-	116,178
Machinery and equipment	154,776	3,526	-	158,302
Water, sewer and gas systems	9,623,115	491,398	-	10,114,513
Boat slips and piers	1,319,383	115,340	-	1,434,723
Vehicles	68,314	15,366	-	83,680
Total accumulated depreciation	11,276,384	631,012	-	11,907,396
Total capital assets being depreciated, net	21,652,131	(494,197)	-	21,157,934
Business-type activities capital assets, net	\$ 22,134,582	\$ 151,621	\$ -	\$ 22,286,203

Construction work in progress for the governmental and business-type activities of the City is composed of the following:

Project	Money Spent to Date	Remaining Commitment
Governmental Activities:		
Sportsplex	\$ 1,233,607	-
Road Improvements	1,033,835	1,929,051
	<u>\$ 2,267,442</u>	<u>\$ 1,929,051</u>
Business-type Activities:		
Lamey Bridge Utility Relocation	\$ 700,153	68,167
Sportsplex	72,037	-
	<u>\$ 772,190</u>	<u>\$ 68,167</u>

The Sportsplex and Road Improvements projects are fully funded through the City. The initial architectural and design process for the Sportsplex have been completed, but the construction contracts associated with this project have not been awarded as of September 30, 2016. Therefore, the Sportsplex project has no remaining financial commitment as of September 30, 2016.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 225,679
Public safety	524,958
Public works	1,037,124
Culture and recreation	52,379
Total governmental activities	<u>\$ 1,840,140</u>
Business-type activities:	
Utility Fund	\$ 511,724
Waterfront Development Fund	119,288
Total business - type activities	<u>\$ 631,012</u>

NOTE 7: LONG-TERM LIABILITIES

Transactions for the year ended September 30, 2016, are summarized as follows:

	Payable at October 1	Additions	Reductions	Payable at September 30	Due in one year
Governmental Activities					
Long-term debt:					
General obligation bonds	\$ 2,945,000	\$ 2,480,000	\$ 2,945,000	\$ 2,480,000	\$ -
Special obligation bonds	3,535,000	-	175,000	3,360,000	165,000
Limited obligation bonds	14,665,000	2,400,000	1,015,000	16,050,000	1,230,000
Certificates of participation	2,460,000	-	155,000	2,305,000	160,000
Capital leases payable	753,218	-	67,262	685,956	68,937
Total long-term debt principal	24,358,218	4,880,000	4,357,262	24,880,956	1,623,937
Less: bond discount	21,278	-	1,340	19,938	
Add: bond premium	409,623	86,289	25,804	470,108	
Total long-term debt	24,746,563	4,966,289	4,381,726	25,331,126	1,623,937
Other liabilities:					
Compensated absences	384,759	395,840	358,282	422,317	93,376
Net pension liability	10,276,065	2,846,933	1,131,585	11,991,413	
Total governmental activities	<u>\$ 35,407,387</u>	<u>\$ 8,209,062</u>	<u>\$ 5,871,593</u>	<u>\$ 37,744,856</u>	<u>\$ 1,717,313</u>
Business-type Activities					
Long-term debt:					
Revenue refunding bonds	\$ 5,645,000	\$ 5,545,000	\$ 5,645,000	\$ 5,545,000	\$ 565,000
Notes payable	1,004,543	-	180,767	823,776	111,968
Total long-term debt principal	6,649,543	5,545,000	5,825,767	6,368,776	676,968
Add: bond premium	63,106	79,298	64,524	77,880	
Total long-term debt	6,712,649	5,624,298	5,890,291	6,446,656	676,968
Other liabilities:					
Compensated absences	44,702	47,281	48,891	43,092	10,066
Net pension liability	1,472,037	426,123	169,807	1,728,353	
Total business-type activities	<u>\$ 8,229,388</u>	<u>\$ 6,097,702</u>	<u>\$ 6,108,989</u>	<u>\$ 8,218,101</u>	<u>\$ 687,034</u>
Total government	<u>\$ 43,636,775</u>	<u>\$ 14,306,764</u>	<u>\$ 11,980,582</u>	<u>\$ 45,962,957</u>	<u>\$ 2,404,347</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities –

General Obligation Bonds – Advance Refunding

In June 2016, the City issued \$2,480,000 of General Obligation Public Improvement Refunding Bonds, Series 2016, with an average interest rate of 2.5%. The net proceeds of \$2,490,916 (after issuance costs of \$52,572, plus premium of \$86,289) were used to advance refund the General Obligation Public Improvement Bonds, Series 2009, with a total principal amount of \$2,455,000 with interest rates from 3.0% to 3.6%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the amount of unpaid defeased debt of \$250,000 is the only related liability for the defeased bonds on the City's financial statements.

The advance refunding was done to achieve a debt service savings with lower interest rates and a revised repayment schedule. The refunding decreased the City's total debt service payments by approximately \$109,442. The transaction resulted in an economic loss (difference between the present value of the debt service on the old and the new bonds) of approximately \$75,373.

Excerpt from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance:

Other financing sources (uses):

Proceeds from refunding bonds issued	\$2,455,200
Unamortized premium on refunding bonds	86,289
Payments to bond refunding escrow agent	(\$2,490,917)

Annual debt service requirements to maturity for the general obligation bond – refunding bonds are as follows:

Year	Principal	Interest	Total
Ending			
2017	\$ -	\$ 56,903	\$ 56,903
2018	270,000	56,875	326,875
2019	285,000	49,938	334,938
2020	290,000	42,750	332,750
2021	305,000	35,313	340,313
2022-2026	1,330,000	61,626	1,391,626
	<u>\$ 2,480,000</u>	<u>\$ 303,405</u>	<u>\$ 2,783,405</u>

Special Obligation Bonds

In August 2011, the City authorized and issued Special Obligation Bond, Series 2011 for the purpose of purchasing approximately 6.4 acres of property. The amount of the bond issued was \$4,000,000 with a varying interest rate of 2.0-5.375% and principal maturing September 2031. The land purchased with this bond was sold during the fiscal year (transaction is discussed in Note 6).

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities –

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

Year Ending	Principal	Interest	Total
2017	\$ 165,000	\$ 154,994	\$ 319,994
2018	170,000	150,044	320,044
2019	175,000	144,094	319,094
2020	185,000	137,094	322,094
2021	190,000	129,694	319,694
2022-2026	1,085,000	518,220	1,603,220
2027-2031	1,390,000	225,752	1,615,752
	<u>\$ 3,360,000</u>	<u>\$ 1,459,892</u>	<u>\$ 4,819,892</u>

Limited Obligation/Tax Increment Financing Bonds

The City issues Tax Increment Financing (TIF) bonds to encourage economic development within certain areas of the City. The original amount of TIF bonds issued from April 1999 to December 2013 was \$19,020,000. The City's outstanding balance for these bonds was \$13,650,000 as of September 30, 2016.

On March 2, 2016, the City issued \$2,400,000 in TIF limited obligation refunding bonds, Series 2015 for the Academy Sports Project. These bonds have an average interest rate of 3.95% with principal maturing March 2031. The issuance costs for this bond totaled \$40,300.

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. These bonds are reflected in the governmental activities column of the Statement of Net Position.

Tax increment financing bonds currently outstanding are as follows:

	Interest Rates	Amount
TIF Bond 1999	4.5 - 6.25%	\$ 340,000
TIF Bond 2004	4.84%	1,140,000
TIF Bond 2008	4.76%	1,620,000
TIF Bond 2013	2.0 - 4.75%	10,550,000
TIF Bond 2015	3.95%	<u>2,400,000</u>
		<u>\$ 16,050,000</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities –

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

Year Ending	Principal	Interest	Total
2017	\$ 1,230,000	\$ 743,491	\$ 1,973,491
2018	1,270,000	647,968	1,917,968
2019	1,315,000	600,599	1,915,599
2020	1,235,000	549,986	1,784,986
2021	960,000	501,756	1,461,756
2022-2026	4,440,000	1,926,930	6,366,930
2027-2031	4,170,000	921,089	5,091,089
2032-2033	1,430,000	106,713	1,536,713
	<u>\$ 16,050,000</u>	<u>\$ 5,998,532</u>	<u>\$ 22,048,532</u>

Certificates of Participation

In accordance with Section 31-8-1 et seq. Mississippi Code Ann., (1972), the City issued Certificates of Participation in the amount of \$2,755,000 and transferred the proceeds to the Southern Mississippi Investment Company, Inc. The funds were issued to construct a fire station. The Corporation has entered into a twenty year lease with the City. The City is obligated to pay the principal and interest on the debt. The interest on the certificates is 3.17%, and they mature April 1, 2028. At the completion of the lease, the City will assume ownership of the facility. This obligation is not a general obligation and does not constitute a pledge of full faith and credit of the City.

Annual debt service requirements to maturity for certificates of participation are as follows:

Ending	Principal	Interest	Total
2017	\$ 160,000	\$ 73,069	\$ 233,069
2018	165,000	67,997	232,997
2019	170,000	62,766	232,766
2020	175,000	57,377	232,377
2021	185,000	51,830	236,830
2022-2026	1,005,000	168,011	1,173,011
2027-2028	445,000	21,240	466,240
	<u>\$ 2,305,000</u>	<u>\$ 502,290</u>	<u>\$ 2,807,290</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities –

Capital Leases Payable

In August 2016, the City entered into a lease agreement with Hancock Bank for the purchase of a ladder fire truck with accessories in the amount of \$753,218. This lease has a ten year maturity with an interest rate of 2.49%.

Year Ending	Principal	Interest	Total
2017	\$ 68,937	\$ 17,080	\$ 86,017
2018	70,654	15,363	86,017
2019	72,413	13,604	86,017
2020	74,216	11,801	86,017
2021	76,064	9,953	86,017
2022-2025	323,672	20,396	344,068
	<u>\$ 685,956</u>	<u>\$ 88,197</u>	<u>\$ 774,153</u>

Business-type Activities –

Revenue Refunding Bonds – Advance Refunding

In July 2016, the City issued \$5,545,000 of Combined Water and Sewer System Revenue Refunding Bonds, Series 2016, with a varying interest rate of 2.0% to 2.5%. The net proceeds of \$5,610,192 (after issuance costs of \$115,128, plus premium of \$79,298) were used to advance refund the Mississippi Development Bank Water and Sewer Special Obligation Bonds, Series 2010 and Series 2011, with a total principal amount of \$5,180,000 with interest rates from 2.0% to 5.25%. In addition, the City is required to maintain a Debt Service Reserve Fund in the amount of \$554,500 for the duration of these bonds. This amount is reflected in restricted cash and cash equivalents and will be used to reduce the debt balance in the future; therefore, there is no effect on the net position in the business-type activities on the Statement of Net Position and the Water & Sewer Fund Statement of Net Position – Proprietary Funds.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the 2010 and 2011 bonds are considered to be defeased, and the related liabilities for the bonds have been removed from the City's financial statements.

The advance refunding was done to achieve a debt service savings with lower interest rates and a revised repayment schedule. The refunding decreased the City's total debt service payments by approximately \$354,624. The transaction resulted in an economic benefit (difference between the present value of the debt service on the old and the new bonds) of approximately \$202,380.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

Business-type Activities –

Annual debt service requirements to maturity for the revenue refunding bond are as follows:

Year Ending	Principal	Interest	Total
2017	\$ 565,000	\$ 109,558	\$ 674,558
2018	575,000	102,363	677,363
2019	590,000	90,862	680,862
2020	600,000	79,063	679,063
2021	615,000	67,062	682,062
2022-2026	1,805,000	175,213	1,980,213
2027-2030	795,000	48,300	843,300
	<u>\$ 5,545,000</u>	<u>\$ 672,421</u>	<u>\$ 6,217,421</u>

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 vary from 0% to 4.5%. These loans are reflected in the Business-Type Activities column of the Statement of Net Position.

Mississippi Development Bank Loan

The City entered into a loan agreement with the Mississippi Development Bank to provide funds for water and sewer system upgrades and improvements. This loan has a 20 year maturity and an interest rate of 3.00%. This loan is reflected in the Business-Type Activities column of the Statement of Net Position.

Special Community Disaster Loans

The City obtained a loan from the Federal Emergency Management Agency in the amount of \$348,563 for water and sewer operations under the Community Disaster Loan program. This loan is reported in the Business-Type Activities section of the financial statements. The payments on this loan are deferred for several years maturing in fiscal year ending 2035 and bear interest at 2.70%.

Annual debt service requirements for the notes/loans are as follows:

Year Ending	Principal	Interest	Total
2017	\$ 111,968	\$ 10,501	\$ 122,469
2018	60,338	7,384	67,722
2019	46,844	6,052	52,896
2020	43,321	4,834	48,155
2021	20,339	4,108	24,447
2022-2026	108,023	14,216	122,239
2027-2031	84,380	3,274	87,654
2031-2035	348,563	87,846	436,409
	<u>\$ 823,776</u>	<u>\$ 138,215</u>	<u>\$ 961,991</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7: LONG-TERM LIABILITIES (Continued)

No portion of these proceeds have been spent and the amount is included in restricted cash in the governmental activities column of the statement of net position

Compensated Absences

The City's policies relative to compensated absences and the method of computing accrued liabilities and reporting are discussed in Note 1 (F) on page 34.

NOTE 8: RETIREMENT PLANS

A - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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. 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.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

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, 2016, 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. The City's contributions to PERS for the fiscal years ending September 30, 2016, 2015 and 2014 were \$848,531, \$757,323, and \$701,613 respectively, which equaled the required contributions for each year.

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

At September 30, 2016, the City reported a liability of \$11,991,413 in the governmental activities and \$1,728,353 in the business-type activities for a total of \$13,719,766 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City's proportion was .082 percent. For the year ended September 30, 2016, the City recognized pension expense for governmental activities of \$1,131,585 and \$169,807 for business-type activities. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Differences between expected and actual experience	\$ 344,813	\$ 51,524	\$ 396,337
Net difference between projected and actual earnings on pension plan investments	873,797	130,567	1,004,364
Changes of assumptions	556,781	83,197	639,978
Changes in proportion and differences between City contributions and proportionate share on contributions	770,345	115,109	885,454
Changes in proportionate share of collective deferrals	25,265	3,776	29,041
City's contributions subsequent to the measurement date	202,920	20,110	223,030
Total deferred outflows related to pensions	<u>\$ 2,773,921</u>	<u>\$ 404,283</u>	<u>\$ 3,178,204</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

	Deferred Inflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Changes of assumptions	\$ 34,427	\$ 4,495	\$ 38,922
Changes in proportion and differences between City contributions and proportionate share on contributions	10,353	1,352	11,705
Changes in proportionate share and differences between City's share of collective deferrals	48,247	6,295	54,542
Total deferred inflows related to pensions	<u>\$ 93,027</u>	<u>\$ 12,142</u>	<u>\$ 105,169</u>

Within the deferred outflows, \$223,030 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, 2017. Other amounts, netting to \$2,850,005, 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:	
2017	\$ 1,073,517
2018	870,393
2019	616,737
2020	289,358
	<u>\$ 2,850,005</u>

Actuarial assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.75-19.0 percent, including inflation
Investment rate of return	7.75 percent, (net of pension plan investment expense, including inflation)

For PERS, 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, 2016, 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.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

The long-term expected rate of return on the PERS 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) were 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Broad	34.00 %	5.20 %
International Equity	19.00	5.00
Emerging Markets Equity	8.00	5.45
Fixed Income	20.00	0.25
Real Assets	10.00	4.00
Private Equity	8.00	6.15
Cash	1.00	(0.50)
Total	<u>100.00 %</u>	

Discount rate

The discount rate used to measure the total pension liability for PERS 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 PERS 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability	\$ 18,781,055	\$ 14,647,248	\$ 11,217,527

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report which can be obtained at www.pers.ms.gov.

B - Deferred Compensation Plan

The City, through VOYA, offers its employees a voluntary 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.

The assets of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The requirements of Internal Revenue Code Section 457(g) prescribe that the City does not own the amounts deferred by employees, including the related income on those amounts. Additionally, the City does not have fiduciary accountability for the plan. Accordingly, the assets and the liability for compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

NOTE 9: RELATED PARTY COMMITMENTS

Joint Governance

On September 30, 1998, the City entered into an agreement with the Harrison County Library Board of Trustees, the City of Gulfport, the City of Biloxi, the City of Pass Christian, and Harrison County 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 of D'Iberville has no equity interest in the organization.

The Harrison County Library Board approves an operating budget every year which stipulates the amount of funds needed from participating municipalities and various other funding sources.

The City of D'Iberville contributed \$125,983 for the year ended September 30, 2016. This agreement is cancelable upon 60 days written notice prior to the end of the fiscal year, and therefore, the City of D'Iberville does not have an ongoing financial responsibility.

Joint Venture

The City of D'Iberville is a member of the Harrison County Utility Authority (Authority) which was established by an act of the Mississippi Legislature and operates under MS Code 49-17-701 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 located in Harrison County and two members from the Harrison County Board of Supervisors.

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9: RELATED PARTY COMMITMENTS (Continued)

Through a fifty-year contract, the City of D'Iberville is obligated to pay monthly, its pro-rata share of all operating, administrative, and capital costs of the Authority. Additionally, the City is jointly and severally liable for all of the liabilities of the Authority. The Authority is classified as a joint venture between the City of D'Iberville and the other members.

As of the date of this report, the Authority has not completed the annual audit of their FY 2016 financial statements. The following is a synopsis of the Authority'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 Authority.

**Harrison County Utility Authority Synopsis
Statement of Net Position
September 30, 2015**

Assets	
Current assets	\$ 11,079,144
Restricted assets	23,124,665
Property, plant and equipment, net	<u>277,023,656</u>
Total assets	<u>311,227,465</u>
 Deferred outflow of resources	
	<u>23,124,665</u>
 Liabilities	
Current, unrestricted	\$ 7,949,634
Current, restricted	12,079,579
Long-term liabilities	104,165,054
Interest rate swap	<u>23,254,614</u>
Total liabilities	<u>147,448,881</u>
 Net position	
Net investment in capital assets	171,490,799
Restricted for debt service and reserves	18,375,206
Unrestricted	<u>(2,553,661)</u>
Total net position	<u>\$ 187,312,344</u>

**Statement of Revenues, Expenses, and Changes in Net Position
For Year Ended September 30, 2015**

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9: RELATED PARTY COMMITMENTS (Continued)

The following financial transactions concerning transactions with the Authority have been included within the City of D'Iberville's financial statements under the following captions:

General Fund

Statement of revenues, expenditures and changes in fund balance:

Public works expenditures:

Other services and charges (solid waste charges)

includes a payable at year-end in the amount of \$40,915 \$ 494,858

Water and Sewer Enterprise Fund

Statement of revenues, expenses and changes in net position:

Contracted services (wastewater treatment) \$ 1,162,433

NOTE 10: COMMITMENTS AND CONTINGENCIES

Commitments

(A) Harrison County Inter-local Agreement

The Council approved an inter-local agreement with Harrison County, Mississippi to provide for certain services in connection with the City's roads, bridges, highways, approach and related drainage, and parks and recreational facilities. This agreement is for the period January 2016 through January 2020.

On July 22, 2013, the Council also approved an inter-local agreement for all emergency communications, including 911 services for public safety and protection and other purposes. This agreement is for the period July 1, 2013 through December 31, 2016. The City pays 23% of the total costs of direct salaries and all fringe benefits of the total number of all dispatchers operating in the Sheriff's dispatch unit. The City further agrees to pay 100% of the actual payments, including fringe benefits, which the County pays to dispatchers working overtime or holidays on City matters. In fiscal year 2016, the City paid \$269,496 to Harrison County for these services. Per the inter-local agreement, the City's reimbursement to Harrison County for these services shall not exceed \$300,000 each year.

(B) Matching Funds – USM Advanced Education Center

In 1997, the City agreed to participate with the county and other cities in funding the local matching contribution for the construction of the Advanced Education Center at the USM Gulf Park Campus. The City made its final payment on April 19, 2016, for \$5,696 for their 3.0% portion of the annual debt service for the \$2,000,000 in bonds issued by Harrison County.

Contingencies

(A) Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 10: COMMITMENTS AND CONTINGENCIES (Continued)

(B) Grants and Awards

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally federal and state governments. Any disallowed expenses, including amounts already collected, might constitute a liability of the applicable funds.

The City of D'Iberville has been notified by the Mississippi Department of Environmental Quality (MDEQ) of the repayment of monies that were awarded to the City in FY 2012. The City received \$2.7 million during FY 2012, and the City has partially spent the award on allowable expenditures.

Management has reported \$176,468 as unearned revenue, a liability, to reflect any amount due to MDEQ as of September 30, 2016. In the non-major funds, the City has an unearned revenue amount of \$71,376 which is due to an expenditure related to the MDOT Sangani Utilities project that was incurred after the project had been closed out. The City is currently pursuing reimbursement from MDOT for this expenditure.

NOTE 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2016, the City carried insurance through various commercial carriers to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 12: 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, evaluated the activity of the City of D'Iberville, Mississippi, through March 15, 2017, (the date the financial statements were available to be issued), and determined that no events have occurred subsequent to September 30, 2016, through this date, that would require adjustment to or disclosure in the financial statements or in the accompanying notes.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Property taxes	\$ 3,163,123	\$ 3,163,123	\$ 3,329,581	\$ 166,458
Sales tax	6,700,000	7,360,000	7,384,265	24,265
Franchise taxes	400,000	490,000	305,091	(184,909)
Licenses and permits	253,600	357,600	399,882	42,282
Intergovernmental	2,057,810	2,104,710	2,193,140	88,430
Charges for services	461,800	461,865	462,092	227
Fines and fees	581,000	595,600	634,356	38,756
Interest income	35,000	56,000	59,845	3,845
Lease revenue	114,000	134,700	160,607	25,907
Miscellaneous	18,000	108,900	108,796	(104)
Total revenues	13,784,333	14,832,498	15,037,655	205,157
EXPENDITURES				
General government:				
Personnel Services	1,031,306	1,038,710	1,196,071	157,361
Supplies	44,400	84,800	43,130	(41,670)
Other Services & Charges	1,400,900	1,740,500	1,397,244	(343,256)
Capital Outlay	103,000	102,000	14,210	(87,790)
Total General Government	2,579,606	2,966,010	2,650,655	(315,355)
Public safety:				
Personnel Services	4,446,690	4,451,690	4,327,403	(124,287)
Supplies	362,000	411,600	367,472	(44,128)
Other Services & Charges	545,500	564,000	497,137	(66,863)
Capital Outlay	1,455,000	1,455,000	1,454,744	(256)
Total Public Safety	6,809,190	6,882,290	6,646,755	(235,535)
Public works:				
Personnel Services	948,908	950,908	863,409	(87,499)
Supplies	145,500	163,500	158,364	(5,136)
Other Services & Charges	1,110,498	1,173,498	998,682	(174,816)
Capital Outlay	1,187,200	1,187,200	916,510	(270,690)
Total Public Works	3,392,106	3,475,106	2,936,965	(538,141)
Culture and recreation:				
Personnel Services	229,078	251,290	246,674	(4,616)
Supplies	93,500	94,000	49,951	(44,049)
Other Services & Charges	299,000	299,000	228,302	(70,698)
Capital Outlay	276,000	277,000	99,282	(177,718)
Total Culture & Recreation	897,578	921,290	624,209	(297,081)
Total Expenditures	13,678,480	14,244,696	12,858,584	(1,386,112)
Excess of revenues over expenditures	105,853	587,802	2,179,071	1,591,269
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	18,500	18,537	37
Sale of assets	-	3,141,100	3,142,465	1,365
Transfers out	(2,682,245)	(2,810,207)	(2,807,620)	2,587
Total other financing sources (uses)	(2,682,245)	349,393	353,382	3,989
Excess of revenues and other sources over expenditures	\$ (2,576,392)	\$ 937,195	2,532,453	\$ 1,595,258
Fund balances - October 1 - GAAP basis			8,092,612	
Receivable/revenue adjustments			173,046	
Payable/expenditure adjustments			(2,046)	
Fund balances - September 30 - GAAP basis			<u>\$ 10,796,065</u>	

The accompanying notes are an integral part of this statement.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

NOTE A: BUDGETARY INFORMATION

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

1. Prior to August 1, the City Manager submits to the Council members a proposed operating budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. No later than September 15, the budget is legally enacted through passage of a resolution.
3. The General Fund and Special Revenue funds' budgets are adopted on a cash basis as required by State statute. Accordingly, actual figures have also been presented on a cash basis. All budgeted amounts presented in the accompanying schedule are as originally adopted or as amended by the Council members.
4. The City Manager is responsible for monitoring the budget and actual results, and is authorized to transfer budgeted amounts within funds. However, any revisions that alter the total expenditures must be approved by the Council members.
5. After the close of the fiscal year, the City amends the budget to reflect actual cash basis amounts, so that the final amended budget reflects the ultimate appropriation authority for the period.

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS AND NOTES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30

*Last 10 Fiscal Years	2016	2015
Total pension liability		
Service cost	\$ 602,327	\$ 511,956
Interest	2,486,347	2,179,436
Changes of benefit terms	-	-
Differences between expected and actual experience	339,065	247,267
Changes of assumptions	(54,617)	1,384,139
Change in beginning balance proportionate share	927,481	485,528
Benefit payments, including refunds of employee contributions	<u>(2,034,121)</u>	<u>(1,777,333)</u>
Net change in total pension liability	2,266,482	3,030,993
Total pension liability-beginning	<u>29,682,000</u>	<u>26,651,007</u>
Total pensions liability-ending	<u><u>\$ 31,948,482</u></u>	<u><u>\$ 29,682,000</u></u>
 Plan fiduciary net position		
Contributions-employer	\$ 837,434	\$ 757,323
Contributions-employee	469,511	424,011
Net investment income	107,338	629,026
Benefit payments, including refunds of employee contributions	(2,034,121)	(1,777,333)
Administrative expense	(12,436)	(10,277)
Other costs	<u>(389)</u>	<u>(378)</u>
Net change in plan fiduciary net position	(632,663)	22,372
 Plan fiduciary net position-beginning	<u>17,933,898</u>	<u>17,911,526</u>
Plan fiduciary net position-ending	<u><u>\$ 17,301,235</u></u>	<u><u>\$ 17,933,898</u></u>
 City's net pension liability-ending	<u><u>\$ 14,647,247</u></u>	<u><u>\$ 11,748,102</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	54.2%	60.4%
 Covered-employee payroll	\$ 5,395,046	\$ 4,845,927
City's net pension liability as a percentage of covered employee payroll	271.5%	242.4%

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

Changes of assumptions: In 2016, amounts reported as changes of assumptions resulted primarily from revisions from price and wage inflation, withdrawal, pre-retirement mortality, disability, and retirement rates for active members. Changes were also made to the post-retirement mortality tables and salary scale.

Other costs: Primarily, the amounts in other costs resulted from an increase in the City's proportionate share of the collective net pension's liability of .0720% at June 30, 2015 to .0820% at June 30, 2016.

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF CITY CONTRIBUTIONS AND NOTES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 837,434	\$ 757,323
Contributions in relation to the actuarially determine contribution	<u>837,434</u>	<u>757,323</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	5,317,041	4,809,925
Contributions as a percentage of covered-employee payroll	15.75%	15.75%

Notes to Schedule: Valuation date: Actuarially determined contribution rates in the Schedules of Employer Contributions are calculated as of June 30, 2014, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	29.2 years
Asset valuation method	5 year smoothed market
Inflation	3.5%
Salary increases	4.25-19.0%
Investment rate of return	8.0%
Retirement age	

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.

Mortality

In 2015, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB, rather than the RP-2000 Mortality Table that was used prior to 2015.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

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CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue Funds						Other Non-Major Funds			Total
	CDBG Grant Fund	Municipal Fire Rebate Fund	Lamey Bridge Utility Relocation Grant Fund	DUI Grant Fund	JAG Hotspot Grant Fund	MDOT Grant Fund	MDOT Sangani Utilities Grant Fund	Debt Service Fund	Promenade TIF Capital Projects Fund	
ASSETS										
Cash and cash equivalents	\$ 69,366	\$ -	\$ 112,123	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 9,500	\$ 192,489
Intergovernmental receivable	-	-	308,554	18,388	17,725	-	38,921	-	-	383,588
Prepaid expenses	-	-	-	299	-	-	-	-	-	299
Restricted cash	-	-	-	-	-	-	-	956,081	-	956,081
Total assets	69,366	-	420,677	18,687	17,725	1,500	38,921	956,081	9,500	1,532,457
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	53,000	-	385,669	-	-	1,500	-	-	-	440,169
Retainage payable	-	-	35,008	-	-	-	-	-	-	35,008
Due to other funds	-	-	-	18,388	17,725	-	38,921	-	-	75,034
Unearned revenue	-	-	-	-	-	-	71,376	-	-	71,376
Total liabilities	53,000	-	420,677	18,388	17,725	1,500	110,297	-	-	621,587
Fund balances:										
Non-spendable	-	-	-	299	-	-	-	-	-	299
Restricted for capital projects	16,366	-	-	-	-	-	-	-	9,500	25,866
Restricted for debt service	-	-	-	-	-	-	-	956,081	-	956,081
Unassigned	-	-	-	-	-	-	(71,376)	-	-	(71,376)
Total fund balances	16,366	-	-	299	-	-	(71,376)	956,081	9,500	910,870
Total liabilities and fund balances	\$ 69,366	\$ -	\$ 420,677	\$ 18,687	\$ 17,725	\$ 1,500	\$ 38,921	\$ 956,081	\$ 9,500	\$ 1,532,457

CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue Funds						Other Non-Major Funds			
	CDBG	Municipal	Lamey Bridge	DUI	JAG Hotspot	MDOT	MDOT		Promenade	
	Grant	Fire	Utility	Grant	Grant	Grant	Sangani	Debt	TIF Capital	
	Fund	Rebate	Relocation Grant	Grant	Grant	Grant	Utilities Grant	Service	Projects	Total
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
REVENUES										
Intergovernmental	\$ 39,996	\$ 60,839	\$ 627,939	\$ 35,998	\$ 67,432	\$ -	\$ -	\$ -	\$ -	\$ 832,204
Total revenues	39,996	60,839	627,939	35,998	67,432	-	-	-	-	832,204
EXPENDITURES										
Public safety	-	-	-	62,326	78,093	-	-	-	-	140,419
Public works	157,195	130	-	-	-	31,205	-	-	-	188,530
Debt service:										
Principal	-	-	-	-	-	-	-	1,652,262	-	1,652,262
Interest	-	-	-	-	-	-	-	1,030,374	-	1,030,374
Total expenditures	157,195	130	-	62,326	78,093	31,205	-	2,682,636	-	3,011,585
Excess (deficiency) of revenues over expenditures	(117,199)	60,709	627,939	(26,328)	(10,661)	(31,205)	-	(2,682,636)	-	(2,179,381)
OTHER FINANCING										
SOURCES (USES)										
Transfers in	117,200	25,308	-	26,627	10,661	31,205	-	3,638,717	-	3,849,718
Transfers out	-	(86,017)	(627,939)	-	-	-	-	-	(956,081)	(1,670,037)
Total other financing sources (uses)	117,200	(60,709)	(627,939)	26,627	10,661	31,205	-	3,638,717	(956,081)	2,179,681
Net change in fund balances	1	-	-	299	-	-	-	956,081	(956,081)	300
Fund balances-beginning	16,365	-	-	-	-	-	(71,376)	-	965,581	910,570
Fund balances-ending	\$ 16,366	\$ -	\$ -	\$ 299	\$ -	\$ -	\$ (71,376)	\$ 956,081	\$ 9,500	\$ 910,870

INDIVIDUAL NON-MAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULES

CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGETARY BASIS
 CDBG GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Intergovernmental	\$ -	\$ 164,200	\$ 39,996	\$ (124,204)
Total revenues	-	164,200	39,996	(124,204)
EXPENDITURES				
PUBLIC WORKS				
Other Contractual Services	-	124,200	117,200	(7,000)
Capital Outlay	-	40,000	39,995	(5)
Total Expenditures	-	164,200	157,195	(7,005)
Excess (deficiency) of revenues over expenditures	-	-	(117,199)	(117,199)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	117,200	117,200
Total other financing sources (uses)	-	-	117,200	117,200
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ -	1	\$ 1
Fund balance - October 1 - GAAP basis			16,365	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ 16,366	

CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGETARY BASIS
 MUNICIPAL FIRE REBATE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ 50,000	\$ 60,839	\$ 60,839	\$ -
Total revenues	<u>50,000</u>	<u>60,839</u>	<u>60,839</u>	<u>-</u>
EXPENDITURES				
PUBLIC SAFETY				
Contractual Services	<u>-</u>	<u>130</u>	<u>130</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>130</u>	<u>130</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>50,000</u>	<u>60,709</u>	<u>60,709</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	36,017	25,308	25,308	-
Transfers out	<u>(86,017)</u>	<u>(86,017)</u>	<u>(86,017)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(60,709)</u>	<u>(60,709)</u>	<u>-</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
LAMEY BRIDGE UTILITY RELOCATION GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Intergovernmental	\$ 102,000	\$ 226,284	\$ 609,455	\$ 383,171
Total revenues	<u>102,000</u>	<u>226,284</u>	<u>609,455</u>	<u>383,171</u>
EXPENDITURES				
PUBLIC WORKS				
Contractual services	102,000	46,230	79,793	33,563
Capital Outlay	-	180,054	529,662	349,608
Total Expenditures	<u>102,000</u>	<u>226,284</u>	<u>609,455</u>	<u>383,171</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(627,939)	(627,939)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(627,939)</u>	<u>(627,939)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (627,939)</u>	<u>\$ (627,939)</u>
Fund balance - October 1 - GAAP basis				-
Receivable/revenue adjustments			18,484	
Payable/expenditure adjustments			<u>(18,484)</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

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CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGETARY BASIS
 DUI GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ 40,637	\$ 40,637	\$ 35,998	\$ (4,639)
Total revenues	<u>40,637</u>	<u>40,637</u>	<u>35,998</u>	<u>(4,639)</u>
EXPENDITURES				
PUBLIC SAFETY				
Personnel Services	54,996	62,864	61,429	(1,435)
Supplies	-	-	-	-
Other contractual services	<u>1,013</u>	<u>1,013</u>	<u>897</u>	<u>(116)</u>
Total Expenditures	<u>56,009</u>	<u>63,877</u>	<u>62,326</u>	<u>(1,551)</u>
Excess (deficiency) of revenues over expenditures	<u>(15,372)</u>	<u>(23,240)</u>	<u>(26,328)</u>	<u>(3,088)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>15,372</u>	<u>23,240</u>	<u>26,627</u>	<u>3,387</u>
Total other financing sources (uses)	<u>15,372</u>	<u>23,240</u>	<u>26,627</u>	<u>3,387</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	299	<u>\$ 299</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ 299</u>	

CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGETARY BASIS
 JAG HOTSPOT GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ 10,369	\$ 70,000	\$ 67,432	\$ (2,568)
Total revenues	<u>10,369</u>	<u>70,000</u>	<u>67,432</u>	<u>(2,568)</u>
EXPENDITURES				
PUBLIC SAFETY				
Personnel Services	<u>55,726</u>	<u>80,840</u>	<u>78,093</u>	<u>(2,747)</u>
Total Expenditures	<u>55,726</u>	<u>80,840</u>	<u>78,093</u>	<u>(2,747)</u>
Excess (deficiency) of revenues over expenditures	<u>(45,357)</u>	<u>(10,840)</u>	<u>(10,661)</u>	<u>179</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>45,357</u>	<u>10,840</u>	<u>10,661</u>	<u>(179)</u>
Total other financing sources (uses)	<u>45,357</u>	<u>10,840</u>	<u>10,661</u>	<u>(179)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGETARY BASIS
 MDOT GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
PUBLIC WORKS				
Contractual services	-	30,000	31,205	1,205
Total Expenditures	-	30,000	31,205	1,205
Excess (deficiency) of revenues over expenditures	-	(30,000)	(31,205)	(1,205)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	30,000	31,205	1,205
Total other financing sources (uses)	-	30,000	31,205	1,205
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ -	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
SANGANI UTILITIES GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
PUBLIC WORKS				
Capital Outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance - October 1 - GAAP basis			(71,376)	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			<u>\$ (71,376)</u>	



CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
DEBT SERVICE				
Principal payments	1,652,262	1,652,262	1,652,262	-
Interest payments	983,237	1,030,374	1,030,374	-
Total expenditures	2,635,499	2,682,636	2,682,636	-
Excess (deficiency) of revenues over expenditures	(2,635,499)	(2,682,636)	(2,682,636)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	2,635,499	2,682,636	3,638,717	956,081
Total other financing sources (uses)	2,635,499	2,682,636	3,638,717	956,081
Excess of revenues and other sources over expenditures	\$ -	\$ -	956,081	\$ 956,081
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ 956,081	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
PROMENADE TIF CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(956,081)	(956,081)
Total other financing sources (uses)	-	-	(956,081)	(956,081)
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ -	(956,081)	\$ (956,081)
Fund balance - October 1 - GAAP basis			965,581	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			<u>\$ 9,500</u>	

CITY OF D'IBERVILLE
SCHEDULE OF SURETY BONDS FOR PUBLIC OFFICIALS
SEPTEMBER 30, 2016

Name	Position	Surety	Bond
Rusty Quave	Mayor	Harford Fire Insurance Co.	\$ 100,000
Randall Pelous	Councilperson	Harford Fire Insurance Co.	\$ 100,000
Joey Bosarge	Councilperson	Harford Fire Insurance Co.	\$ 100,000
Robby Ellis	Councilperson	Harford Fire Insurance Co.	\$ 100,000
Craig Diaz	Councilperson	Harford Fire Insurance Co.	\$ 100,000
Henry Toncrey	Councilperson	Harford Fire Insurance Co.	\$ 100,000
Clay Jones	City Manager	Harford Fire Insurance Co.	\$ 100,000
Jodi Weise	City Clerk	Harford Fire Insurance Co.	\$ 50,000
Sharron Perkins	Comptroller	Harford Fire Insurance Co.	\$ 50,000
Monica Puz	Deputy City Clerk	Harford Fire Insurance Co.	\$ 50,000
Patti Jackson	Court Clerk	Harford Fire Insurance Co.	\$ 50,000
Melissa York	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Karen Kulp	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Wendy Fayard	Administrative Asst	Western Surety Co.	\$ 50,000
Cindy Feranda	Deputy City Clerk	Western Surety Co.	\$ 50,000
Cassi Thompson	Deputy City Clerk	Western Surety Co.	\$ 50,000
Carol Reece	Deputy City Clerk	Western Surety Co.	\$ 50,000
Jessie Taylor	Deputy City Clerk	Western Surety Co.	\$ 50,000
Shelly Burklow	Deputy City Clerk	Western Surety Co.	\$ 50,000
Myrtle Ewing	Deputy City Clerk	Western Surety Co.	\$ 50,000
Leslie Robertson	Deputy City Clerk	Western Surety Co.	\$ 50,000
Becky Hasse	Deputy City Clerk	Western Surety Co.	\$ 50,000
Christy Burns	Deputy City Clerk	Western Surety Co.	\$ 50,000
Vicki Watkins	Deputy City Clerk	Western Surety Co.	\$ 50,000
Wayne Payne	Police Chief	Harford Fire Insurance Co.	\$ 50,000

SECTION III
STATISTICAL SECTION
(UNAUDITED)

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CITY OF D'IBERVILLE, MISSISSIPPI
NET POSITION BY COMPONENT
Last ten fiscal years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 4,737,189	\$ 4,873,620	\$ 11,184,759	\$ 12,266,211	\$ 19,453,860	\$ 23,552,829	\$ 27,113,673	\$ 29,986,677	\$ 30,821,910	\$ 33,618,225
Restricted	-	-	622,095	469,960	735,540	13	34,345	1,064,954	1,173,602	135,048
Unrestricted	6,691,430	6,580,913	3,964,747	4,901,718	3,238,907	6,564,527	6,884,925	7,037,865	(1,411,441)	(3,793,641)
Total governmental activities net position	<u>\$ 11,428,619</u>	<u>\$ 11,454,533</u>	<u>\$ 15,149,506</u>	<u>\$ 17,167,929</u>	<u>\$ 22,692,767</u>	<u>\$ 30,117,369</u>	<u>\$ 34,032,943</u>	<u>\$ 38,089,496</u>	<u>\$ 30,584,071</u>	<u>\$ 29,959,632</u>
Business-type activities										
Net investment in capital assets	\$ 7,776,824	\$ 8,063,220	\$ 14,308,417	\$ 14,762,097	\$ 13,879,151	\$ 14,468,775	\$ 15,068,711	\$ 15,120,132	\$ 15,426,369	\$ 15,982,785
Restricted	-	-	622,095	469,960	735,540	712,083	571,056	566,148	561,370	3,417
Unrestricted	658,267	2,057,411	1,285,022	1,217,073	2,579,513	2,758,476	2,733,713	3,184,748	2,341,279	3,377,606
Total business-type activities net position	<u>\$ 8,435,091</u>	<u>\$ 10,120,631</u>	<u>\$ 16,215,534</u>	<u>\$ 16,449,130</u>	<u>\$ 17,194,204</u>	<u>\$ 17,939,334</u>	<u>\$ 18,373,480</u>	<u>\$ 18,871,028</u>	<u>\$ 18,329,018</u>	<u>\$ 19,363,808</u>
Primary government										
Net investment in capital assets	\$ 12,514,013	\$ 12,936,840	\$ 25,493,176	\$ 27,028,308	\$ 33,333,011	\$ 38,021,604	\$ 42,182,384	\$ 45,106,809	\$ 46,248,279	\$ 49,601,010
Restricted	-	-	622,095	469,960	735,540	712,096	605,401	1,631,102	1,734,972	138,465
Unrestricted	7,349,697	8,638,324	5,249,769	6,118,791	5,818,420	9,323,003	9,618,638	10,222,613	929,838	(416,035)
Total primary government net position	<u>\$ 19,863,710</u>	<u>\$ 21,575,164</u>	<u>\$ 31,365,040</u>	<u>\$ 33,617,059</u>	<u>\$ 39,886,971</u>	<u>\$ 48,056,703</u>	<u>\$ 52,406,423</u>	<u>\$ 56,960,524</u>	<u>\$ 48,913,089</u>	<u>\$ 49,323,440</u>

CITY OF D'IBERVILLE, MISSISSIPPI
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 2,056,479	\$ 3,300,774	\$ 3,955,407	\$ 3,773,443	\$ 3,006,599	\$ 2,636,424	\$ 2,894,304	\$ 2,442,639	\$ 2,915,389	\$ 2,644,455
Public safety	2,500,973	3,910,276	4,413,359	4,550,491	3,783,045	4,038,219	4,333,026	4,635,352	5,219,511	6,197,523
Public works	3,549,016	2,110,843	1,847,908	2,030,646	2,011,478	2,821,096	4,597,636	2,651,389	3,039,357	3,388,586
Economic development	233,518	140,666	449,588	521,426	627,794	491,902	966,759	16,334,236	13,303,726	2,385,859
Culture and recreation	411,053	955,351	1,019,707	1,043,907	698,496	670,948	500,332	574,263	608,089	597,596
Interest and fiscal charges	368,244	336,868	598,116	499,316	578,276	681,159	903,741	1,314,967	970,185	819,221
Bond issuance costs	-	-	-	-	-	-	-	-	-	92,872
Total governmental activities	9,119,283	10,754,778	12,284,085	12,419,229	10,705,688	11,339,748	14,195,798	27,952,846	26,056,257	16,126,112
Business-type activities:										
Water and Sewer	2,251,776	2,771,144	2,607,693	3,251,561	2,814,652	3,078,738	3,327,429	2,971,015	3,217,449	3,613,821
Waterfront Development	164,621	170,645	139,341	135,745	136,762	185,511	221,874	341,061	402,594	272,627
Total business-type activities	2,416,397	2,941,789	2,747,034	3,387,306	2,951,414	3,264,249	3,549,303	3,312,076	3,620,043	3,886,448
Total primary government	\$ 11,535,680	\$ 13,696,567	\$ 15,031,119	\$ 15,806,535	\$ 13,657,102	\$ 14,603,997	\$ 17,745,101	\$ 31,264,922	\$ 29,676,300	\$ 20,012,560
Program Revenues										
Governmental activities:										
Charges for services:										
General government	-	-	-	-	-	-	-	-	-	400,022
Public safety	478,094	389,147	542,378	562,981	761,096	759,943	870,924	735,771	694,121	737,913
Public works	366,771	403,018	452,410	388,814	425,154	455,630	343,914	456,287	433,192	444,116
Economic Development	255,046	388,103	411,740	194,818	231,488	404,051	342,811	639,975	336,656	5,216
Culture and recreation	1,070	-	-	-	10,305	24,378	23,535	1,801	1,720	1,840
Operating grants and contributions	2,268,587	2,007,504	751,053	309,162	582,624	625,290	2,725,906	406,321	600,385	446,028
Capital grants and contributions	143,183	507,955	8,088,553	4,042,455	5,729,042	5,557,628	4,718,631	17,476,121	13,352,125	1,093,470
Total governmental activities	3,512,751	3,695,727	10,246,134	5,498,230	7,739,709	7,826,920	9,025,721	19,716,276	15,418,199	3,128,605
Business-type activities:										
Charges for services:										
Water and sewer	2,663,471	3,828,174	3,344,445	3,279,790	3,432,932	3,641,661	3,789,078	3,856,318	3,851,907	4,121,564
Waterfront Development	7,549	20,302	21,958	24,188	19,962	15,560	6,586	12,749	13,272	14,445
Operating grants and contributions	-	479,208	-	-	-	73,728	106,123	-	-	-
Capital grants and contributions	1,155,139	162,177	3,402,263	167,787	-	-	-	232,928	352,603	155,411
Total business-type activities	3,826,159	4,489,861	6,768,666	3,471,765	3,452,894	3,730,949	3,901,787	4,101,995	4,217,782	4,291,420
Total primary government	7,338,910	8,185,588	17,014,800	8,969,995	11,192,603	11,557,869	12,927,508	23,818,271	19,635,981	7,420,025
Net Revenue/(Expense)										
Governmental activities	(5,606,532)	(7,059,051)	(2,037,951)	(6,920,999)	(2,965,979)	(3,512,828)	(5,170,077)	(8,236,570)	(10,638,058)	(12,997,507)
Business-type activities	1,409,762	1,548,072	4,021,632	84,459	501,480	466,700	352,484	789,919	597,739	404,972
Total primary government net revenue/(expense)	\$ (4,196,770)	\$ (5,510,979)	\$ 1,983,681	\$ (6,836,540)	\$ (2,464,499)	\$ (3,046,128)	\$ (4,817,593)	\$ (7,446,651)	\$ (10,040,319)	\$ (12,592,535)

(Continued)

CITY OF D'IBERVILLE, MISSISSIPPI
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 1,797,926	\$ 1,738,561	\$ 2,151,388	\$ 2,286,520	\$ 2,603,311	\$ 2,739,560	\$ 2,838,888	\$ 3,343,675	\$ 3,282,355	\$ 3,298,107
Sales taxes	4,888,068	4,528,094	4,400,504	5,546,989	5,605,223	5,728,228	5,960,425	6,169,723	6,638,041	7,384,265
Franchise taxes	248,205	294,500	311,371	345,495	335,954	319,186	330,753	397,123	454,999	466,922
Grants and contributions not restricted	-	-	-	-	-	-	-	-	-	146,874
Gaming revenue	-	-	-	-	-	-	-	-	-	1,391,924
Unrestricted investment earnings	190,394	179,844	107,704	127,758	37,607	20,538	44,735	43,702	45,836	60,042
Insurance proceeds	49,585	-	18,668	11,970	10,724	27,584	35,385	26,013	21,088	18,537
Lease revenue	92,627	132,921	142,357	113,965	95,317	95,195	112,545	85,983	225,849	160,607
British Petroleum settlement	-	-	-	-	-	-	-	-	948,027	-
Miscellaneous	6,849	20,430	449,877	629,890	23,552	2,470,010	357,583	710,102	60,570	111,647
Gain (loss) on asset disposal	-	6,190	-	-	-	-	-	-	-	(37,918)
Transfers	-	(193,848)	(2,079,006)	(123,165)	(220,871)	(212,172)	-	(40,523)	(72,213)	(627,939)
Total governmental activities	<u>7,273,654</u>	<u>6,706,692</u>	<u>5,502,863</u>	<u>8,939,422</u>	<u>8,490,817</u>	<u>11,188,129</u>	<u>9,680,314</u>	<u>10,735,798</u>	<u>11,604,552</u>	<u>12,373,068</u>
Business-type activities:										
Property taxes	11,340	17,834	26,474	25,804	22,658	31,679	36,790	2,034	1,555	1,522
Investment earnings	52,421	47,605	1,034	168	65	74	73	72	78	357
Transfers	-	-	-	-	-	-	-	40,523	72,213	627,939
Miscellaneous	-	193,848	2,079,006	123,165	220,871	246,677	5,406	-	-	-
Total business-type activities	<u>63,761</u>	<u>259,287</u>	<u>2,106,514</u>	<u>149,137</u>	<u>243,594</u>	<u>278,430</u>	<u>42,269</u>	<u>42,629</u>	<u>73,846</u>	<u>629,818</u>
Total primary government	<u>\$ 7,337,415</u>	<u>\$ 6,965,979</u>	<u>\$ 7,609,377</u>	<u>\$ 9,088,559</u>	<u>\$ 8,734,411</u>	<u>\$ 11,466,559</u>	<u>\$ 9,722,583</u>	<u>\$ 10,778,427</u>	<u>\$ 11,678,398</u>	<u>\$ 13,002,886</u>
Change in Net Position										
Governmental activities	1,667,122	(352,359)	3,464,912	2,018,423	5,524,838	7,675,301	4,510,237	2,499,228	966,494	(624,439)
Business-type activities	1,473,523	1,807,359	6,128,146	233,596	745,074	745,130	394,753	832,548	671,585	1,034,790
Special Item - Small Community Disaster Loan Forgiveness	-	-	-	-	-	-	-	1,557,325	-	-
Total primary government	<u>\$ 3,140,645</u>	<u>\$ 1,455,000</u>	<u>\$ 9,593,058</u>	<u>\$ 2,252,019</u>	<u>\$ 6,269,912</u>	<u>\$ 8,420,431</u>	<u>\$ 4,904,990</u>	<u>\$ 4,889,101</u>	<u>\$ 1,638,079</u>	<u>\$ 410,351</u>

CITY OF D'IBERVILLE, MISSISSIPPI
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 555,048	\$ -	\$ -	\$ -	\$ 197,031	\$ 34,151	\$ 34,345	\$ 34,396	\$ 146,079	\$ 203,895
Unreserved	7,682,079	7,307,438	5,058,465	6,169,669	3,674,328	7,668,305	7,867,755	7,532,906	7,946,533	10,592,170
Total General Fund	\$ 8,237,127	\$ 7,307,438	\$ 5,058,465	\$ 6,169,669	\$ 3,871,359	\$ 7,702,456	\$ 7,902,100	\$ 7,567,302	\$ 8,092,612	\$ 10,796,065
All other governmental funds										
Reserved	\$ -	\$ 636,085	\$ 534,225	\$ 535,027	\$ 535,741	\$ 536,198	\$ 1,289,218	\$ 1,030,558	\$ 1,027,523	\$ 1,023,416
Unreserved, reported in										
Special revenue funds	(72,357)	-	-	-	-	(71,376)	(70,617)	(71,376)	(71,376)	(71,376)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ (72,357)	\$ 636,085	\$ 534,225	\$ 535,027	\$ 535,741	\$ 464,822	\$ 1,218,601	\$ 959,182	\$ 956,147	\$ 952,040

CITY OF D'IBERVILLE, MISSISSIPPI
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Continued)

	2007	2008	2009	2010	2011
Revenues					
Taxes					
Property	\$ 1,797,926	\$ 1,738,561	\$ 2,151,388	\$ 2,286,520	\$ 2,603,312
Sales	4,888,068	4,528,094	4,400,504	5,546,989	5,605,223
Franchise	248,205	294,500	311,371	345,495	335,954
Licenses and Permits	255,046	388,103	411,740	194,818	231,488
Intergovernmental	2,411,770	2,515,459	8,839,606	4,351,617	5,750,221
Other grant	-	-	-	-	561,444
Charges for services	403,844	403,018	493,328	430,292	473,838
Fines	442,091	389,147	501,460	521,503	712,412
Interest	190,394	179,845	107,704	127,758	37,606
Lease revenue	92,627	132,921	142,357	113,965	105,622
Miscellaneous	6,849	17,433	449,877	629,889	23,552
Total revenues	10,736,820	10,587,081	17,809,335	14,548,846	16,440,672
Expenditures					
General government	2,118,234	3,189,838	3,408,716	3,686,946	3,114,571
Public safety	2,543,618	3,761,008	3,956,533	4,198,555	3,504,730
Public works	3,545,009	2,110,959	1,586,540	1,343,439	1,400,956
Economic Development	227,413	2,614,578	472,525	490,613	605,323
Culture and recreation	494,735	958,734	983,889	964,359	590,895
Capital outlay	-	-	6,671,174	5,480,578	11,699,838
Debt Service:					
Principal	730,109	703,709	747,207	766,744	1,086,539
Interest	382,082	351,766	423,222	411,830	577,849
Other	-	-	-	-	-
Total expenditures	10,041,200	13,690,592	18,249,806	17,343,064	22,580,701
Excess of revenues over (under) expenditures	695,620	(3,103,511)	(440,471)	(2,794,218)	(6,140,029)
Other Financing Sources (Uses)					
Insurance proceeds	49,585	2,849	18,668	11,970	10,724
Sale of property	-	9,990	4,092	17,419	52,580
Issuance of bonds	-	2,685,000	-	4,000,000	4,000,000
Issuance of notes	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Unamortized premium on refunding bonds	-	-	-	-	-
British Petroleum settlement	-	-	-	-	-
Transfers in	1,112,191	1,434,083	1,653,147	3,333,600	3,913,267
Transfers out	(1,112,191)	(1,627,931)	(3,732,153)	(3,456,765)	(4,134,138)
Total other financing sources (uses)	49,585	2,503,991	(2,056,246)	3,906,224	3,842,433
Special Item - SCDL Forgiveness	-	-	-	-	-
Net change in fund balances	\$ 745,205	\$ (599,520)	\$ (2,496,717)	\$ 1,112,006	\$ (2,297,596)
Debt service as a percentage of noncapital expenditures	11.08%	7.71%	11.25%	11.03%	18.06%

Note: ** The City was unable to determine the debt payments for this fiscal year.

CITY OF D'IBERVILLE, MISSISSIPPI
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Revenues					
Taxes					
Property	\$ 2,740,164	\$ 2,838,888	\$ 3,343,675	\$ 3,282,355	\$ 3,298,107
Sales	5,728,228	5,960,425	6,169,723	6,638,041	7,384,265
Franchise	319,186	330,753	397,123	454,999	466,922
Licenses and Permits	404,051	321,498	618,794	314,199	399,882
Intergovernmental	8,350,273	7,465,850	17,903,625	13,928,393	3,078,296
Other grant	-	-	-	-	-
Charges for services	504,461	396,383	458,324	435,298	446,097
Fines	710,508	774,394	686,726	629,460	634,356
Interest	20,538	44,735	43,702	45,835	60,042
Lease revenue	117,712	134,280	85,983	225,849	160,607
Miscellaneous	54,082	112,949	702,534	104,068	115,496
Total revenues	<u>18,949,203</u>	<u>18,380,155</u>	<u>30,410,209</u>	<u>26,058,497</u>	<u>16,044,070</u>
Expenditures					
General government	2,327,986	2,670,504	2,211,797	2,605,099	2,349,792
Public safety	3,745,186	4,010,037	4,395,297	4,675,665	5,409,464
Public works	2,143,274	3,865,061	1,713,601	1,990,660	2,293,929
Economic Development	482,970	963,795	16,337,163	13,268,009	2,353,432
Culture and recreation	548,560	393,878	476,667	512,493	526,687
Capital outlay	4,162,095	16,051,236	5,724,164	1,230,367	4,600,244
Debt Service:					
Principal	1,108,472	1,136,424	3,080,081	1,875,899	1,652,262
Interest	641,087	901,869	1,371,039	1,031,286	1,048,977
Other	-	-	-	-	92,872
Total expenditures	<u>15,159,630</u>	<u>29,992,804</u>	<u>35,309,809</u>	<u>27,189,478</u>	<u>20,327,659</u>
Excess of revenues over (under) expenditures	<u>3,789,573</u>	<u>(11,612,649)</u>	<u>(4,899,600)</u>	<u>(1,130,981)</u>	<u>(4,283,589)</u>
Other Financing Sources (Uses)					
Insurance proceeds	27,584	35,385	26,013	21,088	18,537
Sale of property	250,434	244,522	7,568	3,136	5,141,765
Issuance of bonds	-	12,468,141	-	-	4,855,200
Issuance of notes	-	-	2,755,000	753,218	-
Payment to bond refunding escrow agent	-	-	-	-	(2,490,917)
Unamortized premium on refunding bonds	-	-	-	-	86,289
British Petroleum settlement	-	-	-	948,027	-
Transfers in	2,200,605	2,194,779	2,956,044	2,942,410	3,849,718
Transfers out	(2,412,777)	(2,194,779)	(2,996,567)	(3,014,623)	(4,477,657)
Total other financing sources (uses)	<u>65,846</u>	<u>12,748,048</u>	<u>2,748,058</u>	<u>1,653,256</u>	<u>6,982,935</u>
Special Item - SCDL Forgiveness	-	-	1,557,325	-	-
Net change in fund balances	<u>\$ 3,855,419</u>	<u>\$ 1,135,399</u>	<u>\$ (594,217)</u>	<u>\$ 522,275</u>	<u>\$ 2,699,346</u>
Debt service as a percentage of noncapital expenditures	18.92%	17.12%	17.71%	12.61%	20.74%

CITY OF D'IBERVILLE, MISSISSIPPI
GOVERNMENTAL TAX REVENUE BY SOURCE
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2007	\$ 1,809,266	\$ 4,888,068	\$ 248,205	\$ 6,945,539
2008	1,738,561	4,528,094	294,500	6,561,155
2009	2,151,388	4,400,504	311,371	6,863,263
2010	2,286,520	5,546,989	345,945	8,179,454
2011	2,603,312	5,605,223	335,954	8,544,489
2012	2,740,164	5,728,228	319,186	8,787,578
2013	2,838,888	5,960,425	330,753	9,130,066
2014	3,343,675	6,169,723	397,123	9,910,521
2015	3,282,355	6,638,041	454,999	10,375,395
2016	3,298,107	7,384,265	466,922	11,149,294

**CITY OF D'IBERVILLE, MISSISSIPPI
PRINCIPAL PROPERTY TAXPAYERS
Current Fiscal Year & Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Land Holdings I, LLC	\$ 18,032,173	1	16.17%	\$ 1,290,874	5	2.21%
Scarlett Pearl	7,763,372	2	6.96%			
Promenade	5,671,436	3	5.08%			
Mississippi Power Company	3,393,988	4	3.04%	1,596,545	1	2.74%
Wal-Mart Real Estate Bus. Trust	2,025,098	5	1.82%			
Landmark of D'Iberville	1,945,618	6	1.74%	1,572,346	2	2.70%
Arbor View II, LLC	1,871,960	7	1.68%	1,487,186	3	2.55%
Target Corporation	1,440,986	8	1.29%			
Walmart Stores East Inc.,	1,435,209	9	1.29%			
EPT Biloxi Inc.	1,323,453	10	1.19%	1,274,232	6	2.18%
Encore D'Iberville Hotel, LLC						
Bell South Telecommunications				1,307,847	4	2.24%
Arbor View IV LLC				1,134,477	7	1.95%
30 West Perishing LLC				996,481	8	1.71%
Lowes Home Centers				847,618	9	1.45%
Biloxi Lodge LP				480,233	10	0.82%
Total	44,903,293		40.26%	11,987,839		20.55%
Other Taxpayers	66,635,659		59.74%	46,333,587		79.45%
Total All Taxpayers	<u>\$ 111,538,952</u>		<u>100.00%</u>	<u>\$ 58,321,426</u>		<u>100.00%</u>

Source: Office of the County Tax Collector

CITY OF D'IBERVILLE, MISSISSIPPI
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Calendar Year Ended December 31	Total Tax Levy for Fiscal Year	Total Collections to Date	
		Amount	Percentage of levy
2006	\$ 1,669,743	\$ 1,809,266	108.36%
2007	1,684,219	1,738,561	103.23%
2008	2,061,819	2,151,388	104.34%
2009	2,182,284	2,286,520	104.78%
2010	2,477,883	2,603,312	105.06%
2011	2,552,491	2,740,164	107.35%
2012	2,622,030	2,838,888	108.27%
2013	3,159,500	3,343,675	105.83%
2014	3,068,791	3,282,355	106.96%
2015	3,159,123	3,283,388	103.93%

City of D'Iberville
Taxable Sales by Category
Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Automotive	\$ -	\$ -	\$ -	\$ 88,058	\$ 52,228	\$ 51,970	\$ 46,606	\$ 59,994	\$ 71,578	\$ 73,559
Machinery, Equipment, and Supplies	-	-	-	10,148	10,138	6,491	4,578	4,807	6,038	5,378
Accommodation & Food Services	81,690	69,576	68,721	90,193	88,164	87,640	82,237	68,799	69,013	68,788
Furniture and Fixtures	-	-	-	20,078	20,491	20,180	16,560	4,689	7,451	8,463
Public Utilities	-	-	-	18,402	-	-	-	-	-	-
Apparel and General Merchandise	-	-	-	181,793	185,269	185,924	163,310	133,095	124,232	135,968
Lumber and Building Materials	-	-	-	30,942	31,341	35,132	36,196	40,335	47,661	70,504
Miscellaneous Retail	-	-	-	30,078	28,296	26,216	25,792	17,963	16,396	20,270
Miscellaneous Services	18,070	14,930	11,924	11,810	11,987	14,655	13,477	11,139	12,655	12,135
Construction	1,124	1,814	1,501	1,332	1,204	1,611	1,960	2,236	6,008	2,611
Manufacturing	8,398	3,191	3,354	-	-	-	-	-	-	-
Wholesale Trade	2,836	3,662	3,097	-	-	-	-	-	-	-
Retail Trade	459,169	418,106	393,380	-	-	-	-	-	-	-
Information	19,797	-	18,221	-	-	-	-	-	-	-
Real Estate, Rental, & Leasing	8,434	2,234	2,443	-	-	-	-	-	-	-
Professional, Scientific, Technical Services	367	247	82	-	-	-	-	-	-	-
Arts, Entertainment, & Recreation	2,148	2,311	1,798	9,041	9,363	9,220	-	-	-	-
Total	\$ 602,033	\$ 516,071	\$ 504,521	\$ 491,875	\$ 438,481	\$ 439,039	\$ 390,716	\$ 343,057	\$ 361,032	\$ 397,676

Source: Department of Revenue

CITY OF D'IBERVILLE, MISSISSIPPI
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Tax Increment Financing Bonds	Capital Leases	Notes Payable	Certificates of Participation	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases			
2007	\$ 6,469,160	\$ 517,958	\$ 1,709,373	\$ -	\$ -	\$ -	\$ 5,340,000	\$ 2,466,664	\$ 73,586	\$ 16,576,741	10.97%	1,997
2008	8,644,160	725,744	1,281,462	-	-	-	5,110,000	2,302,494	56,151	18,120,011	10.93%	2,183
2009	8,094,160	528,536	1,281,462	-	-	-	4,870,000	2,126,843	38,090	16,939,091	12.32%	2,135
2010	7,479,160	376,793	1,281,462	-	4,000,000	-	4,785,000	2,114,723	19,381	20,056,519	11.15%	2,114
2011	6,734,160	230,254	1,281,462	-	3,805,000	4,000,000	7,350,000	1,909,922	-	25,310,798	14.09%	2,566
2012	5,880,000	175,942	1,281,462	-	3,605,000	4,000,000	6,955,000	1,696,860	-	23,594,264	12.61%	2,392
2013	17,160,000	119,518	1,281,462	-	3,395,000	3,850,000	6,530,000	1,475,187	-	33,811,167	13.57%	2,959
2014	15,940,000	60,899	-	2,610,000	3,175,000	3,695,000	6,095,000	1,244,544	-	32,820,443	14.69%	2,905
2015	14,665,000	753,218	-	2,460,000	2,945,000	3,535,000	5,645,000	1,004,543	-	31,007,761	9.77%	2,613
2016	16,050,000	685,956	-	2,305,000	2,930,170	3,360,000	5,622,880	823,776	-	31,777,782	12.24%	2,746

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.
Demographic and economic data can be found on page 86 of this report.

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**CITY OF D'IBERVILLE, MISSISSIPPI
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 9,145,000	\$ 9,145,000	\$ 11,864,508	\$ 12,283,204	\$ 13,915,807	\$ 13,769,765	\$ 14,122,353	\$ 16,540,205	\$ 16,730,843	\$ 16,730,843
Net debt applicable to limit	1,281,462	1,281,462	1,281,462	5,281,462	5,086,462	4,886,462	4,676,462	3,175,000	2,945,000	2,480,000
Net debt applicable to the limit as a percentage of debt limit	14.01%	14.01%	10.80%	43.00%	36.55%	35.49%	33.11%	19.20%	17.60%	14.82%

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	\$ 111,538,952
Debt limit (15% of total assessed value)	16,730,843
Debt applicable to limit:	
General obligation bonds	2,480,000
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>2,480,000</u>
Legal debt margin	<u>\$ 14,250,843</u>

CITY OF D'IBERVILLE, MISSISSIPPI
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Sewer Revenue Bonds					
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 2,726,844	\$ 1,457,842	\$ 1,269,002	\$ 220,000	\$ 271,173	258.36%
2008	3,828,174	2,435,289	1,392,885	230,000	335,855	246.16%
2009	3,344,445	2,293,747	1,050,698	240,000	251,143	213.93%
2010	3,279,790	2,774,141	505,649	250,000	240,343	103.12%
2011	3,432,932	2,433,664	999,268	310,000	210,169	192.10%
2012	3,641,661	2,728,244	913,417	395,000	293,013	132.76%
2013	3,789,078	2,665,421	1,123,657	425,000	282,863	158.74%
2014	3,856,318	2,660,909	1,195,409	435,000	271,363	169.23%
2015	3,851,907	2,936,518	915,389	450,000	256,213	129.62%
2016	4,121,564	2,744,842	1,376,722	465,000	242,127 *	195.14%

Notes:

Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Sewer charges and other do not include investment earnings, ad valorem receipts or impact fees.
Operating expenses do not include interest, depreciation, or amortization.

*Bond issuance costs of \$115,128 are not included in these debt service costs.

**CITY OF D'IBERVILLE, MISSISSIPPI
DEMOGRAPHIC AND ECONOMIC DATA
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>
2007	7,423	135,113	18,202	5.0%	35.7
2008	7,423	135,112	18,202	6.0%	35.7
2009	7,928	137,390	17,330	7.5%	33.5
2010	9,486	179,930	18,968	9.2%	36.9
2011	9,865	179,632	18,209	9.6%	32.3
2012	9,865	187,119	18,968	8.6%	33
2013	11,426	249,212	21,811	7.8%	33
2014	11,638	230,165	19,777	7.1%	33
2015	11,870	317,594	26,756	5.8%	33.6
2016	11,400	255,713	22,431	5.6%	35.3

1. Data for reported years taken from U. S. Census Bureau.
Other years estimated by City of D'Iberville.
2. Estimated by City of D'Iberville using 2000 and 2010 census data.
3. 2000 census data adjusted 2% annually for inflation.
4. Population multiplied by per capita increase.
5. Education information and school enrollment
information is not available

CITY OF D'IBERVILLE, MISSISSIPPI
PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Scarlett Pearl	991	1	15.1%			
Wal-Mart Supercenter	388	2	5.9%	550	1	14.1%
Wal-Mart Neighborhood Market	200	3	3.0%			
Lowes	144	4	2.2%	165	2	4.2%
City of D'Iberville	131	5	2.0%			
Greenbriar Nursing Home	116	6	1.8%			
Olive Garden	113	7	1.7%			
Kohl's	112	8	1.7%			
Target	200	9	3.0%			
Saad's	82	10	1.2%			
D'Iberville High School				87	3	2.2%
D'Iberville Middle School				94	4	2.4%
D'Iberville Elementary School				94	5	2.4%
High Cotton Grill				80	6	2.0%
Outback Steakhouse				75	7	1.9%
Ruby Tuesday				75	8	1.92%
Chili's Grill & Bar				75	9	1.9%
Astro Ford				60	10	1.5%
Total	<u>2,477</u>		<u>37.7%</u>	<u>1,355</u>		<u>34.7%</u>
Other Employers	<u>4,096</u>		<u>62.3%</u>	<u>2,551</u>		<u>65.3%</u>
Total Employment	<u>6,573</u>		<u>100.0%</u>	<u>3,906</u>		<u>100.0%</u>

Total employment estimate information obtained from the Bureau of Labor Statistics

CITY OF D'IBERVILLE, MISSISSIPPI
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Calendar Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
City Management	3	2	2	2	2	2	1	2	2	2
Finance & Administration	1	3	3	4	3	3	2	4	4	5
Building	6	6	6	6	4	4	4	5	5	5
Judicial	5	5	4	3	2	4	4	4	4	4
Planning				5	4	4	4	3	4	3
Public Safety										
Police ¹	1	7	26	28	29	30	35	36	37	39
Fire	23	28	28	26	25	24	25	30	30	31
Highways & Streets										
Maintenance	8	10	9	16	13	17	16	16	19	21
Culture & Recreation										
	10	11	19	6	6	5	7	7	7	8
Water										
	11	13	12	12	14	12	12	13	13	13
TOTAL	68	85	109	108	102	105	110	120	125	131

¹ Police protection was provided by the Harrison County Sheriff's Dept. through an interlocal agreement until September 30, 2008 when the City assumed responsibility for its operation.

**CITY OF D'IBERVILLE, MISSISSIPPI
OPERATING INDICATORS BY FUNCTION
Last Ten Calendar Years**

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire										
Number of calls answered	1091	901	1062	1086	1126	1209	1244	1546	1706	1620
Highways and streets										
Street resurfacing (miles)	30.38	2.84	2.9	5.6	1.8	3	1.4	0	0	3.4
Water										
New connections	104	97	75	74	111	30	30	35	31	97
Waters main breaks	81	117	71	21	43	57	48	7	8	7
Average daily consumption (thousands of gallons)	853	964	949	917	845	777	916	863	849	942
Wastewater¹										
Average daily sewage treatment (thousands of gallons)	855.75	907.47	836.41	1057.73	917.4	995.26	1061.1	1074.66	1095.23	1116.4

¹Data provided by Harrison County Wastewater Utility Authority

CITY OF D'IBERVILLE, MISSISSIPPI
CAPITAL ASSET STATISTICS BY FUNCTION
Last ten calendar years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police:										
Patrol units	28	31	33	44	42	41	43	41	45	48
Fire stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	56.33	56.72	58.05	58.05	58.05	58.05	62.62	62.62	62.62	64.5
Streetlights	1250	1250	1250	1250	1250	1330	1392	1392	1452	1222
Traffic signals	20	20	20	20	20	20	24	24	26	26
School signals	8	8	8	8	8	8	10	10	10	10
Culture and recreation										
Parks acreage	55	55	55	55	55	55	117	117	117	117
Parks	5	5	5	5	5	5	4	4	4	8
Tennis courts	10	10	10	10	10	10	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	56.69	56.69	57.65	57.72	57.72	57.72	82.99	82.99	82.99	83.75
Fire hydrants	452	461	506	531	535	675	706	716	747	757
Number of water wells	6	6	6	6	6	6	5	5	5	4
Maximum daily capacity (thousands of gallons)	5270	5270	5270	5270	5270	5270	5270	5270	5270	5270
Sewer										
Sanitary sewers (miles)	52.23	52.74	72.81	70.75	70.75	71.31	84.89	84.89	84.89	85.5
Maximum daily treatment capacity (thousands of gallons)	1120	1120	1120	1120	1120	2620	2620	2620	2620	2620

SECTION IV
COMPLIANCE SECTION

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

Certified Public Accountants

HANCOCK BANK BUILDING

2510 - 14TH STREET

P.O. BOX 129

GULFPORT, MISSISSIPPI 39502

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

LEAH HOLLAND, CPA
CHRIS TAYLOR, CPA
CHARLENE KERKOW, CPA

MEMBERS
AMERICAN INSTITUTE OF CPAS
MISSISSIPPI SOCIETY OF CPAS

TELEPHONE (228) 863-6601
FAX NUMBER (228) 863-6644
EMAIL: THECPAFIRM@AOL.COM

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

March 15, 2017

To the Mayor and City Council
City of D'Iberville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of D'Iberville, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise City of D'Iberville, Mississippi's basic financial statements, and have issued our report thereon dated March 15, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of D'Iberville, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

W. H. W. and W. H. W. & H. W.

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

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CHARLENE KERKOW, CPA

MEMBERS
AMERICAN INSTITUTE OF CPAS
MISSISSIPPI SOCIETY OF CPAS

TELEPHONE (228) 863-6501
FAX NUMBER (228) 863-6544
EMAIL: THECPAFIRM@AOL.COM

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

March 15, 2017

Mayor and City Council
City of D'Iberville, Mississippi

We have audited the basic financial statements of the City of D'Iberville, Mississippi as of and for the year ended September 30, 2016 and have issued our report dated March 15, 2017. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures performed to test compliance with certain state laws and regulations and our audit of the financial statements did not result in any material instances of noncompliance with state laws and regulations

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

Wright Ward Hatten & Guel

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SECTION I – SUMMARY OF AUDITORS' RESULTS

Type of Auditors' Report Issued	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	None Noted

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

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