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May 26, 2017

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

RE: Annual Municipal Audit

To whom it may concern:

Enclosed are two hard copies and one electronic copy of the City of Ridgeland's Comprehensive Annual Financial Report for the year ending September 30, 2016. In connection with this audit, a separate management letter was written to the city which is also enclosed.

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

Sincerely,

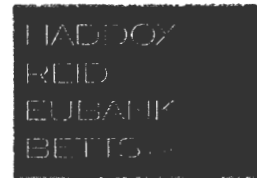
Gene F. McGee, Mayor
City of Ridgeland, MS



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

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

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



CPAs & Advisors

April 26, 2017

To the Honorable Mayor and Board of Aldermen
City of Ridgeland, Mississippi

In planning and performing our audit of the financial statements of the City of Ridgeland, Mississippi as of and for the year ended September 30, 2016, 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, we considered the City of Ridgeland, Mississippi's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of three matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated April 26, 2017 contains our communication of a material weakness in the City's internal control. This letter does not affect our report dated April 26, 2017, on the financial statements of the City of Ridgeland, Mississippi.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Mayor and Board of Aldermen, management, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi

CITY OF RIDGELAND, MISSISSIPPI

**INDEPENDENT AUDITORS' FINDINGS AND RECOMMENDATIONS
WITH RESPECT TO INTERNAL CONTROLS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

The following findings and recommendations include conditions noted during the course of our audit for the year ended September 30, 2016.

STRENGTHEN CONTROLS RELATED TO NONCASH CREDITS - COURT FINES AND FEES

Finding: During our audit, we noted the individual currently responsible for recording noncash credits to court fines accounts receivable also has access to cash at times.

Recommendation: To minimize the risk of misstatement or misappropriation, we recommend the City appoint an individual who has no access to cash as the person responsible for recording credits related to credit for jail time served, dismissal of charges, etc.

TIMELY RECORDING OF COURT FINES AND FEES

Finding: During our audit, we noted instances of court fines and fees not being timely recorded in the City's accounts receivable subsidiary for court fines and fees.

Recommendation: To minimize the risk of misstatement or misappropriation, we recommend the City implement policies and procedures to ensure that court fines and fees are timely entered into the subsidiary ledger.

RECONCILIATION OF COURT FINES RECEIVABLE

Finding: During our audit, we noted that the reconciliations of the court fines receivable aging subsidiary ledger to the general ledger activity are not routinely performed.

Recommendation: To minimize the risk of misstatement or misappropriation, we recommend the implementation of policies and procedures to ensure that a monthly reconciliation of the detail to the accounts receivable control is made and any reconciling items that are identified should be investigated and cleared promptly.



Data Collection Form for Reporting on
Audits of States, Local Governments, Indian Tribes, Institutions of Higher Education and Nonprofit
For Fiscal Periods Beginning on or after December 26, 2014

PART I: GENERAL INFORMATION**REPORTID: 724490 VERSION:1**

1. Fiscal Period End Date 9/30/2016	2. Type of Uniform Guidance Audit Single Audit
3. Audit Period Covered Annual	
4. Auditee Identification Numbers	
a. Auditee Employer Identification Number (EIN) 64-6001550	d. Auditee Data Universal Numbering System (DUNS) Number 60-379-7481
b. Are multiple EINS covered in this report? No	e. Are multiple DUNS covered in this report? Yes
5. Auditee Information	6. Primary Auditor Information
a. Auditee name CITY OF RIDGELAND, MISSISSIPPI	a. Audit Firm/Organization Name HADDOX REID EUBANK BETTS PLLC
b. Auditee address (Number and street) 304 HIGHWAY 51	b. Audit Firm/Organization EIN 64-0414329
	c. Audit Firm/Organization address (Number and street) P.O. DRAWER 22507
Auditee City RIDGELAND	Audit Firm/Organization City JACKSON
Auditee State MS	Audit Firm/Organization State MS
Auditee ZIP Code 39157	Audit Firm/Organization ZIP Code 39225-2507
c. Auditee Contact Name ASHLEY DANIEL	d. Primary Auditor Contact Name TOMMY LINDLEY
Auditee Contact Title FINANCE MANAGER	Primary Auditor Contact Title MEMBER
d. Auditee Contact Telephone (601)856-7113	e. Primary Auditor Contact Telephone (601)326-7138
e. Auditee Contact E-mail ASHLEY.DANIEL@RIDGELANDMS.ORG	f. Primary Auditor Contact E-mail TOMMYLINDLEY@HADDOXREID.COM
	7. Was a secondary auditor used? No

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Part II: FEDERAL AWARDS

Part III: INFORMATION

1. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

1. MAJOR PROGRAM
INFORMATION AND AUDIT
FINDINGS

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(a)	(b)	(c)
	CFDA Number								Loan/Loan Guarantee		Federal Award Source					MAJOR PROGRAM		
Row Number (Auto-Generated)	Federal Awarding Agency Prefix ¹	CFDA Three Digit Extension ²	Additional Award Identification ³	Name of Federal Award	Amount Expended (\$)	Cluster Name	Federal Program Total ⁴	Cluster Total ⁵	Loan/Loan Guarantee (Y/N)	If column (i) is "Y", the End of the Audit Period Outstanding Loan Balance ⁶	Direct Award (Y/N)	If column (k) is "N", list Name of Pass-through Entity	If column (k) is "N", list identifying number assigned by the Pass-through Entity, if assigned ⁷	Federal Award Passed Through to Subrecipients (Y/N)	If column (n) is "Y", Provide Amount Passed Through	Major Program (Y/N)	If column (a) is "Y", type of audit report on Major Program ⁸	Number of Audit Findings
1	16	U01	UNKOWN	DEA STATE AND LOCAL	\$21,651	N/A	\$21,651		N		Y			N		N		0
2	16	807		BULLETPROOF VEST PA	\$4,979	N/A	\$4,979		N		Y			N		N		0
3	20	205	STP-5323-0	HIGHWAY PLANNING A	\$1,778,494	HIGHWAY	\$2,125,142	\$2,125,142	N		N	MISSISSIPPI DEPARTMENT OF TRANSPORTATION	STP-5323-00-(004)	N		Y	U	0
4	20	205	STP-8323-0	HIGHWAY PLANNING A	\$2,903	HIGHWAY	\$2,125,142	\$2,125,142	N		N	MISSISSIPPI DEPARTMENT OF TRANSPORTATION	STP-8323-00-(003)	N		Y	U	0
5	20	205	STP-0213-0	HIGHWAY PLANNING A	\$343,745	HIGHWAY	\$2,125,142	\$2,125,142	N		N	MISSISSIPPI DEPARTMENT OF TRANSPORTATION	STP-0213-000(033)	N		Y	U	0

6	20	007	1344L-201	ALCOHOL OPEN CONT	\$81,843	N/A	\$81,843	N	N	MISSISSIPPI DEPARTMENT OF PUBLIC SAFETY	1344L-2016-07-23-01	N	N	0
7	66	202	XP-954167	CONGRESSIONALLY M	\$93,428	N/A	\$93,428	N	N	MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY	XP-95416710-3	N	N	0
8	06	400	DWI-L4500	CAPITALIZATION GR	\$289,005	N/A	\$289,005	Y	\$425,004	MISSISSIPPI STATE DEPARTMENT OF HEALTH	DWI-L450013-02	N	N	0
9	95	001	G14GC000	HIGH INTENSITY DRUG	\$43,397	N/A	\$43,397	N	N	MISSISSIPPI BUREAU OF NARCOTICS-GULF COAST HIDTA	G14GC0003A	N	N	0
10	07	067	14HS316T	HOMELAND SECURITY	\$0,000	N/A	\$35,000	N	N	MISSISSIPPI DEPARTMENT OF PUBLIC SAFETY	14HS316T	N	N	0
11	97	067	15LE316	HOMELAND SECURITY	\$27,000	N/A	\$35,000	N	N	MISSISSIPPI DEPARTMENT OF PUBLIC SAFETY	15LE316	N	N	0

Total Federal Awards Expended: - \$2,695,045

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Part III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**2. FINANCIAL STATEMENTS****a. Financial Statement Information**

i. What were the results of the auditor's determination of whether the financial statements of the auditee were prepared in accordance with generally accepted accounting principles (GAAP):

Select any combination:

Unmodified Opinion

ii. What was the special purpose framework? (Select only one)

N/A

iii. Was the special purpose framework used a basis of accounting required by state law or tribal law?

N/A

iv. What was the auditor's opinion on the special purpose framework? (Select any combination)

N/A

b. Is a "going concern" emphasis-of-matter paragraph included in the auditor's report?

No

c. Is a significant deficiency in internal control disclosed?

☐ Yes ☐ No

No

d. Is a material weakness in internal control disclosed?

☐ Yes ☐ No

Yes

e. Is a material noncompliance disclosed?

☐ Yes ☐ No

No

3. FEDERAL PROGRAMS

a. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$750,000 or more in Federal awards that have separate Uniform Guidance audits which are not included in this audit? (AICPA Audit Guide)

☐ Yes ☐ No

No

b. What is the dollar threshold used to distinguish Type A and Type B programs? (Uniform Guidance § 200.518(b)(1))

\$ _____

\$750,000

c. Did the auditee qualify as a low-risk auditee?

☐ Yes ☐ No

(Uniform Guidance § 200.520)

Yes

d. Indicate which Federal Agency(ies) have prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. Mark (X) all that apply or None.

If an agency has been selected (see the full list of agencies in Appendix I of the instructions), it will appear in a list in this section. For example, if 39. General Services Administration, 99. Miscellaneous, 68. National Gallery of Art, and 07. Office of National Drug Control Policy are selected, the list will appear in this section as "39, 99, 68, 07".

00 - None

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4. FEDERAL AWARD AUDIT FINDINGS

Schedule of Findings and Questioned Costs														
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
							Compliance Audit Findings ²	Internal Control Audit Findings ²						
							Modified Opinion	Other Matters	Material Weakness	Significant Deficiency	Other Audit Findings ²	Questioned Costs	Repeat Audit Finding from Prior Year	If column (m) is "Y", provide Prior Year Audit Finding Reference Numbers
							(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	
Row Number from Part II, Item 1	Federal Awarding Agency Prefix	CFDA Three Digit Extension	Additional Award Identification (Optional)	Name of Federal program	Audit Finding Reference Number (YYYY-###)	Type(s) of Compliance Requirement(s) ¹								

1.) Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses,), questioned costs, fraud, and other items reported under §.510(a)) reported for each Federal program.

2.) There are 9 valid combinations of 'Compliance Findings,' 'Internal Control Findings,' and 'Other Findings' for each Federal program with findings. (See instructions - Item 7)

Part IV: CERTIFICATIONS**1. Auditee Certification Statement**

This is to certify that, to the best of my knowledge and belief the following is true and correct. The auditee has:

☒ ensured that the Form SF-SAC and reporting package does not include protected personally identifiable information (Protected PII) (2 CFR 200.79 and 2 CFR 200.82), or if it does, the Federal Audit Clearinghouse is authorized to publicly post all information contained in this Form SF-SAC and the audit report;

☒ ensured that the Form SF-SAC and reporting package does not include business identifiable information (BII) as defined below*, or if it does, the Federal Audit Clearinghouse is authorized to publicly post all information contained in this Form SF-SAC and the audit report;

☒ complied with the requirements of 2 CFR Part 200 Subpart F specific to the auditee;

☒ prepared the data in this form in accordance with 2 CFR Part 200 and the accompanying instructions to this form;

☒ included all information required to be reported in this form in its entirety and such information is accurate and complete;

☒ engaged an auditor to perform an audit in accordance with 2 CFR Part 200.500 for the period described in Part I, Items 1 and 3;

☒ ensured the auditor has completed such audit and issued the signed audit report required by 200.515 which states that the audit has conducted in accordance with the audit requirements of the Uniform Guidance; and

☒ authorized the FAC to make the Form SF-SAC and reporting package publicly available on a Web site

2. Auditor Statement

The data elements and information included in this form are limited to those prescribed by the Uniform Guidance. The information in Part II of this form is the responsibility of the auditee and is based on information included in the reporting package required by the Uniform Guidance. The information included in Part III of this form, except for Part III Item 2(a)(iii), Item 3(d), and Items 4(a) – (d) (when there are audit findings), was transferred by the auditor from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s) or any additional auditing procedures in connection with the completion of this form. A copy of the reporting package required by the Uniform Guidance, which includes the complete auditor's report(s), is required to be made available by the FAC on the FAC web site. It is also available in its entirety from the auditee at the address identified in Part I of this form and on the FAC web site.

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*BII consists of information defined in the Freedom of Information Act (FOIA) as "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential." (5 U.S.C.552(b)(4)). This information is exempt from automatic release under the (b)(4) FOIA exemption. "Commercial" is not confined to records that reveal "basic commercial operations" but includes any records or information in which the submitter has a commercial interest, and can include information submitted by a nonprofit entity.

Auditee Certification	Auditor Signature
5/23/2017	(Date of Electronic Signature)
Name of certifying official	ELECTRONICALLY CERTIFIED: 5/24/2017
ASHLEY BURTON	
Title of certifying official	
FINANCE MANAGER	

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FORM SF-SAC

REPORTID: 724490 VERSION:1

PART I, Item 4c. AUDITEE EIN CONTINUATION SHEET

(FROM PART I, ITEM 4b)

List the multiple Employer Identification Numbers (EINs) covered in this report.

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PART I, Item 4f. AUDITEE DUNS CONTINUATION SHEET

(FROM PART I, ITEM 4e)

List the multiple DUNS covered in this report.

1	11-368-8308				
2	00-746-6695				
3	01-989-8491				
4	11-203-5881				
5	09-694-5399				
6	00-214-7903				
7	09-996-7700				
8	13-418-1408				
9	11-354-7751				
10	06-290-7898				

Part I, Item 8, SECONDARY AUDITORS' CONTACT INFORMATION

Auditor Firm name (a)	Auditor EIN (b)	Auditor address (Number and street) (c)	City (d)	State (e)	ZIP (f)	Contact Name (g)	Title (h)	Auditor contact telephone (i)	Auditor contact FAX (j)	Auditor contact E-mail (k)
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CITY OF RIDGELAND, MISSISSIPPI

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2016**



**Prepared by the Department of Finance and Administration
Paula W. Tierce, City Clerk
Ashley Daniel, Finance Manager**

CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organization Chart	7
Listing of City Officials	8
Geographic Location	10
FINANCIAL SECTION:	
Independent Auditor's Report	11
Management's Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Exhibit A-1	
Statement of Net Position	36
Exhibit A-2	
Statement of Activities	37
Fund Financial Statements:	
Governmental Funds:	
Exhibit A-3	
Balance Sheet	38
Exhibit A-4	
Reconciliation of the Balance Sheet to the Statement of Net Position	39
Exhibit A-5	
Statement of Revenues, Expenditures, and Changes in Fund Balances	40
Exhibit A-6	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	42
Proprietary Funds:	
Exhibit A-7	
Statement of Net Position	44
Exhibit A-8	
Statement of Revenues, Expenses, and Changes in Net Position	45
Exhibit A-9	
Statement of Cash Flows	46
Notes to Financial Statements	48

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:

Exhibit B-1	
Budgetary Comparison Schedule - General Fund	93
Exhibit B-2	
Schedule of the City's Proportionate Share of the Net Pension Liability	95
Exhibit B-3	
Schedule of the City's Contributions	96
Notes to Required Supplementary Information	97

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:**Major Governmental Funds:****Budgetary Comparison Schedules - Major Funds:**

Exhibit C-1	
Debt Service Fund	99
Exhibit C-2	
Colony Park TIF Bond Debt Fund	100
Exhibit C-3	
City Center Fund	101
Exhibit C-4	
Lake Harbour Drive Extension Fund	102

Nonmajor Governmental Funds:**Combining Statements - Nonmajor Governmental Funds:**

Exhibit C-5	
Combining Balance Sheet - Nonmajor Governmental Funds	105
Exhibit C-6	
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	106

Budgetary Comparison Schedule - Nonmajor Special Revenue Fund:

Exhibit C-7	
Forfeiture and Seizure Fund	108

Combining Statements - Nonmajor Debt Service Funds:

Exhibit C-8	
Combining Balance Sheet - Nonmajor Debt Service Funds	109
Exhibit C-9	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	110

Budgetary Comparison Schedules - Nonmajor Debt Service Funds:

Exhibit C-10	
School Creek Intercept Special Assessment Fund	111
Exhibit C-11	
Avery Boulevard Special Assessment Bond Fund	112
Exhibit C-12	
Lowes TIF Bond Debt Fund	113

Combining Statements - Nonmajor Capital Project Funds:

Exhibit C-13	
Combining Balance Sheet - Nonmajor Capital Projects Funds	114
Exhibit C-14	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	115

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES -
CONTINUED:**

Nonmajor Governmental Funds - continued:

Budgetary Comparison Schedules - Nonmajor Capital Project Funds:

Exhibit C-15	
Jackson Street Multi-Use Fund	116
Exhibit C-16	
City Entrance Sign Hwy 51 Fund	117
Exhibit C-17	
Avery Boulevard Special Assessment Fund	118
Exhibit C-18	
Colony Park Boulevard Fund	119
Exhibit C-19	
Lake Harbour Reconstruction of Hwy 51 to Northpark Drive Fund	120
Exhibit C-20	
2014 \$5.1 M Bond Issue Fund	121
Exhibit C-21	
Harbour Crossing TIF Fund	122
Exhibit C-22	
Highland Colony Rehab Fund	123
Exhibit C-23	
Craft Center Parking Lot Fund	124
Exhibit C-24	
2011 \$5.825 M Bond Issue Fund	125
Exhibit C-25	
2015 \$11.9 M Bond Issue Fund	126

SUPPLEMENTAL INFORMATION:

Schedule D-1: Schedule of Investments - All Funds	127
Schedule D-2: Schedule of Surety Bonds for Municipal Officials	128
Schedule D-3: Schedule of Changes in Long-Term Debt	129

STATISTICAL SECTION:

Financial Trends:

Table 1: Fund Balance and Net Position by Components	131
Table 2: Changes in Net Position	133
Table 3: Changes in Fund Balances of Governmental Funds	136
Table 4: General Governmental Expenditures by Function	138
Table 5: General Government Tax Revenue by Source	139

Revenue Capacity:

Table 6: Property Tax Levies and Collections	140
Table 7: Assessed and Actual Value of Property	141
Table 8: Property Tax Rates - Direct and Overlapping Governments	142
Table 9: Principal Taxpayers	143

STATISTICAL SECTION - CONTINUED:

Debt Capacity:

Table 10: Special Assessment Billings and Collections	144
Table 11: Computation of Direct and Overlapping Bonded Debt	145
Table 12: Ratios of Outstanding Debt by Type	146
Table 13: Legal Debt Margin Information	147
Table 14: Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	148
Table 15: Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures	149
Table 16: Pledged Revenues	150

Demographic and Economic Information:

Table 17: Demographic and Economic Statistics	151
Table 18: Education Related Information	152
Table 19: Principal Employers	153
Table 20: Construction Activity	154
Table 21: Property Value and Construction	155

Operating Information:

Table 22: Full-time Equivalent Government Employees by Function	156
Table 23: Operating Indicators by Function	157
Table 24: Capital Assets Indicators by Function	158
Table 25: Miscellaneous Statistics	159

SINGLE AUDIT SECTION:

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*

160

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

162

Schedule of Expenditures of Federal Awards

164

Notes to the Schedule of Expenditures of Federal Awards

166

Schedule of Findings and Questioned Costs

167

STATE COMPLIANCE SECTION:

Independent Auditor's Report on Compliance with State Laws and Regulations

169



April 26, 2017

To the Citizens of the City of Ridgeland, Mississippi:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgeland, Mississippi, for the fiscal year ended September 30, 2016. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the management of the City of Ridgeland. This report was prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America.

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

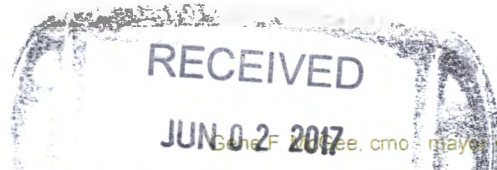
Haddox Reid Eubank Betts PLLC, Certified Public Accountants, performed an examination, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, of the basic financial statements for the City of Ridgeland. Their unmodified opinion is presented as the first page of the financial section of this report. Also, as required by federal law, a single audit was conducted and the report includes a report on compliance and internal control over compliance on major federal program funds expended by the City of Ridgeland.

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

Profile of the Government

The City of Ridgeland, incorporated in 1899, is located in central Mississippi in south Madison County. With a land area of 22 square miles, the City has grown rapidly since 1980. The City of Ridgeland has seen continuous growth in population from census figures of 11,714 in 1990 to 20,173 in 2000 to 24,047 in 2010. The latest population count as of July 1, 2014 is 24,221.

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



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

Gene F. Zoltee, cmo - mayor • Paula W. Tierce, phr - city clerk / human resources director
board of aldermen: D.I. Smith, cmo - at-large • Ken Heard, cmo - ward 1 • Chuck Gautier, cmo, mayor pro tempore - ward 2
Kevin Holder, cmo - ward 3 • Brian P. Ramsey, cmo - ward 4 • Scott Jones, cmo - ward 5 • Wesley Hamlin, cmo - ward 6

Profile of the Government - continued:

Ridgeland is a code-charter municipality that operates under a Mayor/Board of Aldermen form of government. The Mayor is full-time and is elected at-large. Of the seven aldermen, six are elected by ward and one is elected at-large. The Mayor and Board serve concurrent four-year terms. The next city-wide general election will be held in 2017.

Accounting System and Budgetary Control

The financial statements present information on the financial position and operations of the City as a single comprehensive reporting entity. The City of Ridgeland provides a full range of services to enhance and protect the lives of its citizens. The services include, but are not limited to, police and fire protection, water and sewer services, construction and maintenance of streets and infrastructure, planning and zoning, recreational and cultural services, and general administrative services.

The City of Ridgeland maintains specific budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Board of Aldermen. Activities of the general funds, debt service funds, capital projects funds, and enterprise funds are included in the annual appropriated budget. The legal level of budgetary control, the level at which expenditure can not legally exceed the appropriated amount, is established by major expenditure classifications within departments. These major classifications are personnel, supplies, services, and capital outlay. Any change in the appropriated amount of any major classification requires approval by the Mayor and Board of Aldermen. The City Clerk can approve any transfer within a major classification.

Factors Affecting Financial Condition

The City of Ridgeland is located in one of the fastest growing areas of the state. The City has seen steady economic growth from the 1980s through 2016. The valuation of residential permits issued by the City of Ridgeland increased by approximately \$4 million from 2015 to 2016. The unemployment rate has increased from 4.2% in 2015 to 4.4% in 2016. The City of Ridgeland has seen a consistent increase in sales tax collections, which indicates that retail is strong and continues to grow.

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

The Highland Colony Parkway was constructed in the late 1990s and has blossomed into a vibrant mixed-use corridor. Many international, national, and regional office headquarters have located along the Parkway. The Parkway is also home to numerous retail developments including Renaissance at Colony Park and Township at Colony Park. Renaissance is a 400,000 square foot retail, restaurant, and office development that is adjacent to several mid-rise office buildings. A second phase of the Renaissance is planned to begin construction in 2017 and will add an additional 80,000 square feet of retail buildings plus additional outparcel development. Township is an 80-acre mixed use development complete with retail,

Factors Affecting Financial Condition - continued:

office, recreational, and housing uses. In addition, several neighborhoods have developed around the Parkway. The Township continues to grow and is planning a new hotel and conference center to begin construction in 2017. The Highland Colony Parkway corridor remains the fastest growing area of the City of Ridgeland.

Highland Colony Parkway south of the round-about continues to see development activity as well. The Renaissance Phase III project, which was approved in 2016, is planned to contain approximately 300,000 square feet of retail space and outparcel development. The first phase of Renaissance Phase III is planned to be a new Costco. Other developers reacted favorably to the news of the Renaissance Phase III project and purchased the undeveloped 50 acres across the street for an anticipated mixed commercial use development.

On the east side of the interstate, Ridgeland continues to enjoy economic development opportunities. Mercedes recently received a building permit to construct a brand new facility on a ten acre site. Other proposals have been recently submitted including, but not limited to, hotels, retail, restaurants, and office buildings.

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

Long-Term Financial Planning

In 2008, a long-term strategic plan was adopted by the Mayor and Board of Aldermen with input from citizens and the business community. The primary focus during the coming years will be continued improvement of transportation infrastructure and neighborhood revitalization. As with any rapidly-growing municipality, the City of Ridgeland is faced with keeping up with current demand for services as well as planning for long-term growth.

Major Initiatives

The City of Ridgeland has received national recognition for Freedom Ridge Park, earning multiple awards from ASA and other organizations. This led to the City of Ridgeland being selected to host the Men's and Women's Amateur Softball Association National Championship Softball Series at Freedom Ridge Park. This marked the first time the event was held outside of the ASA's headquarters in Oklahoma City.

Ridgeland is an environmental hero among cities, earning the following awards for its efforts in recycling and environmental protection: 2013 First Place Local Government Award from Keep Mississippi Beautiful, Steward in the Mississippi Department of Environmental Quality's Enhance Program since 2011, Local Government Recycler of the Year 2011 from the Mississippi Recycling Coalition, Merit Award from the American Society of Landscape Architects for the Ridgeland Area Master Plan and Tree City USA certification since 2009.

The Ridgeland Area Master Plan earned a Clarion-Ledger/Mississippi Municipal League Excellence Award for Planning and Development in 2008 for its citizen-led process of developing a long-range vision for Ridgeland's future. The plan included progressive tactics to enhance development in a sustainable manner.

Major Initiatives - continued:

Ridgeland has also been recognized for its forward thinking and technology-oriented businesses. Ridgeland was named Mississippi's eCity 2013 by Google for its strong online business community, making Ridgeland one of the nation's digital capitals. BusinessWeek.com named Ridgeland as the Best Small City for Startups in Mississippi in 2009.

Known as a destination for bicycling and a promoter of bicycling safety, Ridgeland earned the bronze award for Bicycle Friendly Community 2010-2015 by the League of American Bicyclists. Designated bike routes in Ridgeland include the Natchez Trace Parkway and Highland Colony Parkway. Local bicycling events often use the multiuse trails, mountain bike trails and the bike routes in Ridgeland.

In 2007, the City of Ridgeland issued \$19,365,000 in bonds for improvement to the water and sewer system, widening Lake Harbour Drive to five lanes, and other miscellaneous drainage, roadway, and park improvements. Construction is completed.

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

In 2014, the City issued \$5,100,000 in bonds for continued design and construction of the City Center and the Right-of-way and relocation of Colony Park Boulevard. In 2015, the City issued \$11.9 million bonds for continued construction of the City Center. These projects are currently in progress.

The City of Ridgeland is in the process of obtaining funding for several road expansion projects. The City of Ridgeland is in the process of obtaining funding for the Lake Harbour Drive Extension project. This project is estimated to cost approximately \$20 million. The Mayor and Board of Aldermen continue to appropriate \$1,000,000 of the annual budget for street maintenance.

Mississippi law limits the amount of general obligation debt a municipality may issue to 15% of total assessed valuation. With an assessed valuation of \$452,595,284, the City of Ridgeland's margin for further issuance of general obligation debt is \$38,754,918 as of September 30, 2016.

Moody's Investor Services, widely regarded as one of the top three companies in financial research and analysis, awarded the City of Ridgeland with a bond rating of Aa2. Aa2 is categorized as high-grade for long-term debt ratings and Prime-1, which is highest quality, for short-term debt ratings. Aa2 is subject to very low credit risk. The Aa2 rating received by the City of Ridgeland is the highest bond rating among cities in the State of Mississippi.

Financial Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgeland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Financial Awards and Acknowledgements - continued:

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This was the twenty-fourth consecutive year that the City of Ridgeland received this prestigious award. We believe our current report continues to conform to the City of Achievement Program requirements, and we are submitting it to GFOA.

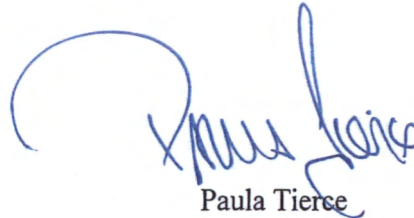
The preparation of this report on a timely basis could not have been accomplished without the cooperation of the entire staff of the Department of Finance Administration. We also wish to express our appreciation to the other departments within the City of Ridgeland for their submission of information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

In conclusion, we acknowledge the Board of Aldermen who consistently support the goal of excellence in all aspects of financial management by the City of Ridgeland. Their continuing interest and support are greatly appreciated.

Respectfully yours,



Gene F. McGee
Mayor
City of Ridgeland



Paula Tierce
City Clerk
City of Ridgeland



Government Finance Officers Association

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

Presented to

**City of Ridgeland
Mississippi**

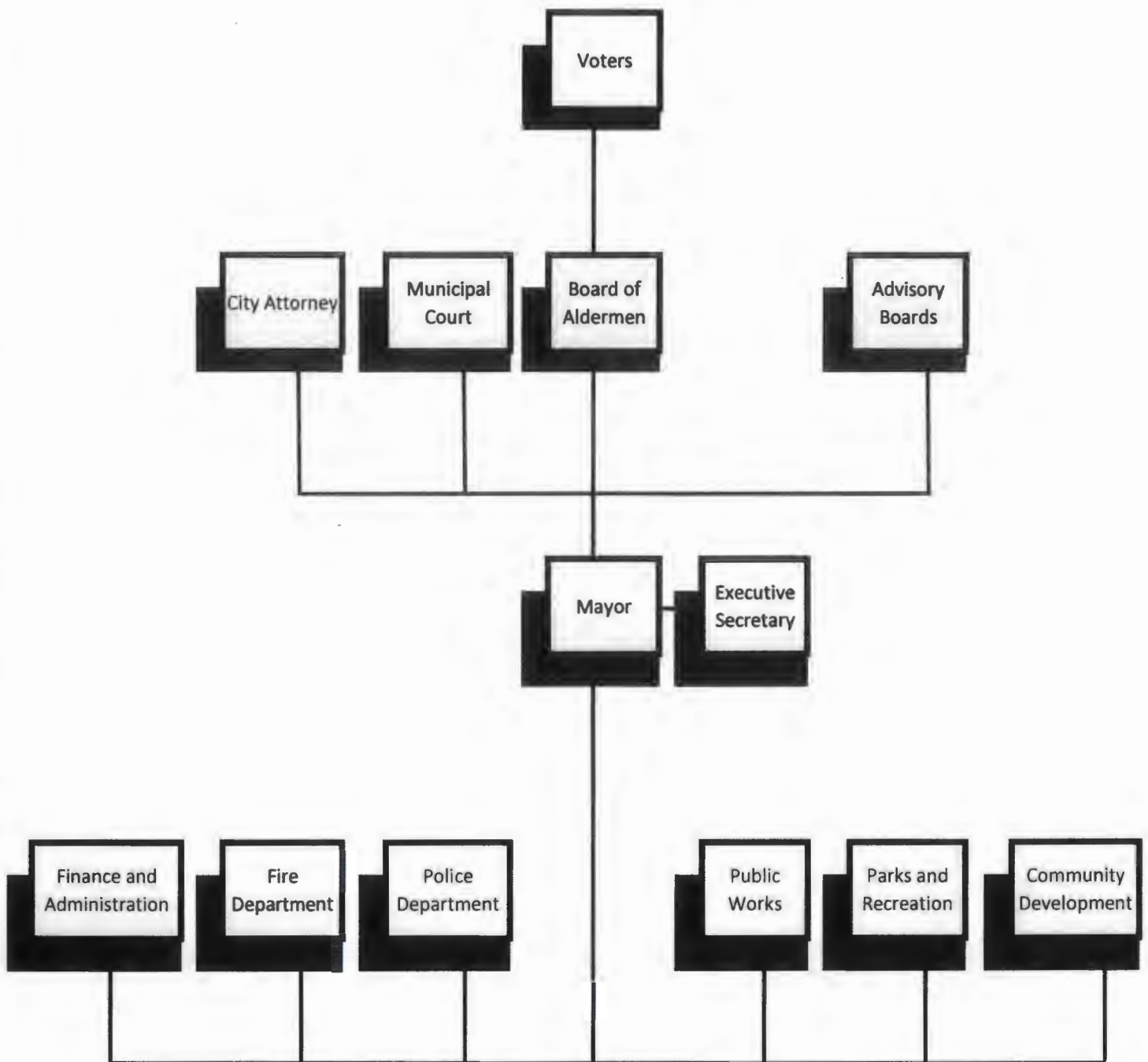
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

CITY OF RIDGELAND
ORGANIZATION CHART



RECEIVED

JUN 02 2017

CITY OF RIDGELAND
LISTING OF CITY OFFICIALS
AS OF SEPTEMBER 30, 2016

Elected Officials



Gene F. McGee
Mayor



Ken Heard
Alderman - Ward 1



Chuck Gautier
Alderman - Ward 2
Mayor Pro Tempore



Kevin Holder
Alderman - Ward 3



Brian Ramsey
Alderman - Ward 4



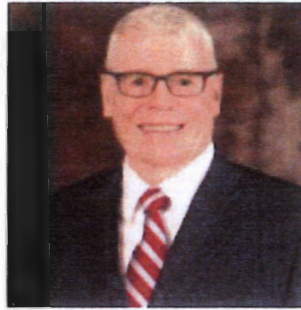
Scott Jones
Alderman - Ward 5



Wesley Hamlin
Alderman - Ward 6

CITY OF RIDGELAND
LISTING OF CITY OFFICIALS (continued)
AS OF SEPTEMBER 30, 2016

Elected Officials

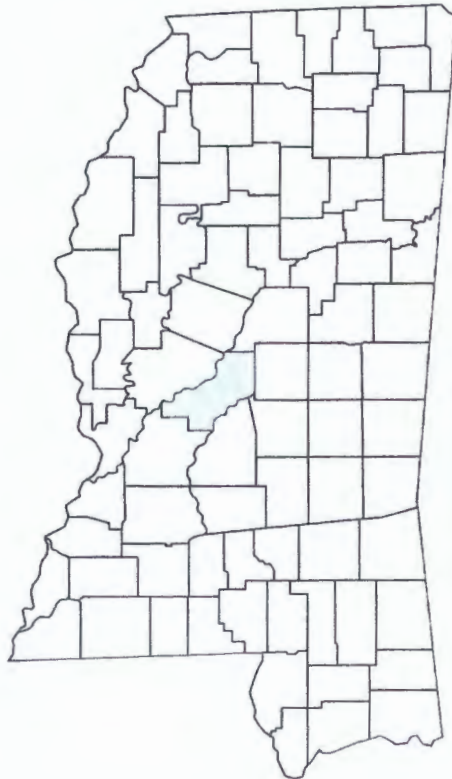


D.I. Smith
Alderman At Large

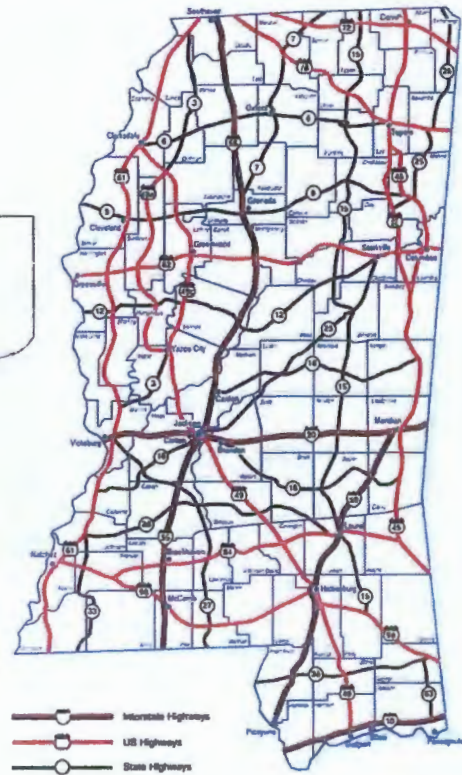
Appointed Officials

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

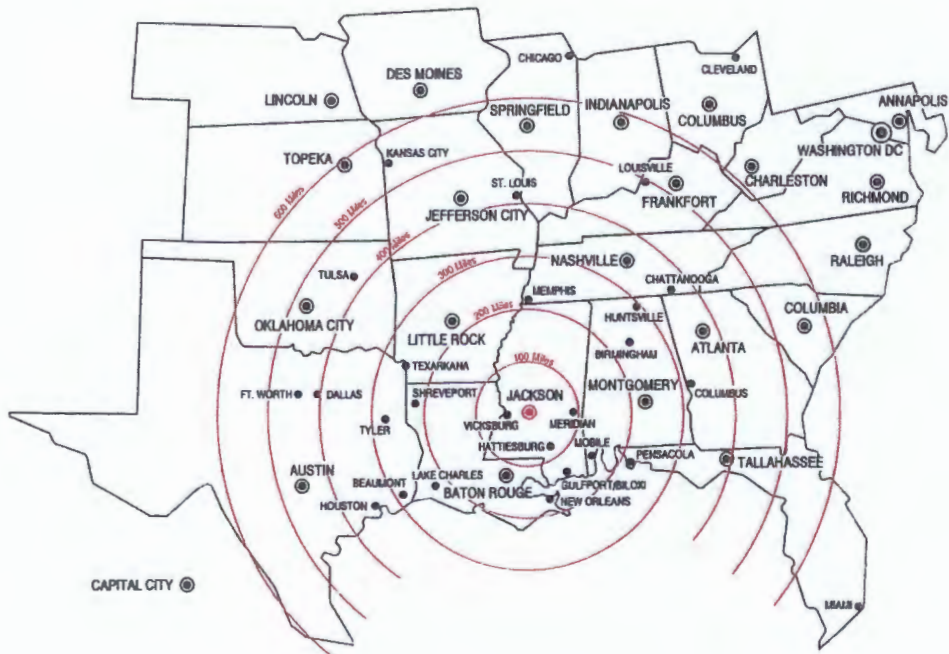
County Location



Federal/State Highways



Regional Map



FINANCIAL AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Aldermen
City of Ridgeland
Ridgeland, Mississippi

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Auditor's Responsibility - continued:

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 Ridgeland, 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 14 to 35, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of the City's Contributions, and budgetary comparison information (Exhibits B1-B3) on pages 93 to 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ridgeland, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules (Exhibits C1 - C25), supplemental information section (Schedules D-1 - D-3) and statistical section (Tables 1 - 25), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

Other Matters - continued:

Other Information - continued:

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 major fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, supplementary information section, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2017, on our consideration of the City of Ridgeland, 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Ridgeland Mississippi's internal control over financial reporting and compliance.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi

April 26, 2017

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

Our discussion and analysis of the City of Ridgeland's (the City) financial performance provides an overview of the City's financial activities for the year ended September 30, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are also encouraged to review the financial statements and the notes to the financial statements to enhance their understandings of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position of the City increased \$3,027,624, as a result of this year's operations (\$4,557,377 increase in 2015), which represents a 33.6% decrease from fiscal year 2015.
- General revenues of the City account for \$27,042,357 or 58.9% of all revenues in 2016. General revenues accounted for \$24,734,671 or 51.7% of all revenues in 2015. Program specific revenues in the form of charges for services and grants and contributions accounted for \$18,860,910 or 41.1% of total revenues in 2016, compared with \$23,112,307 or 48.3% of total revenues in 2015.
- The City had \$42,875,643 in expenses, an amount which decreased when compared with the \$43,289,601 in expenses for 2015; \$18,860,910 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$27,042,357 were adequate to provide for these programs in 2016, and general revenues of \$24,734,671 were adequate to provide for these programs in 2015.
- Among the major funds, the General Fund had \$22,885,862 in revenues and \$23,111,827 in expenditures. In 2015, the General Fund had \$24,772,101 in revenues and \$23,217,960 in expenditures. The General Fund's fund balance decreased by \$521,766 from 2015 to 2016 and increased by \$1,920,556 from 2014 to 2015.
- Public Utility Enterprise Fund had \$6,924,368 in operating revenues and \$7,152,829 in operating expenses. Its decrease in net position after net non-operating expenses was \$497,276. Last year it reported \$6,918,799 in operating revenues and \$7,156,143 in operating expenses. Its decrease in net position was \$670,549 after net non-operating expenses.
- Capital assets, net of accumulated depreciation, increased by \$558,465 in the governmental activities after restatement. Capital assets, net of accumulated depreciation, increased by \$5,474,863 in the governmental activities from 2014 to 2015.
- Capital assets, net of accumulated depreciation, decreased \$639,972 in the business-type activities after restatement. Capital assets decreased \$1,462,700 in the business-type activities from 2014 to 2015.

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL HIGHLIGHTS - CONTINUED:

- Long-term debt increased by \$8,629,369 in the governmental activities from 2015 to 2016. The increase in the governmental activities was mainly due to the issuance of the \$11,900,000 general obligation bonds series 2015 in the current year. Long-term debt decreased by \$2,175,511 in the governmental activities from 2014 to 2015.
- Long-term debt decreased by \$531,065 in the business-type activities from 2015 to 2016. The decrease was attributed to current year principal payments on long-term debt. Long-term debt decreased by \$1,159,830 in the business-type activities from 2014 to 2015.

USING THE ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position for the 2016 fiscal year and changes in them. The City's net position - assets plus deferred outflows of resources less liabilities and deferred inflows of resources - is one way to measure the City's financial health or financial

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

REPORTING THE CITY AS A WHOLE - CONTINUED:

Statement of Net Position and Statement of Activities - continued:

position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. However, in evaluating the overall position of the City, non-financial information, such as changes in the City's tax base and the condition of the City's capital assets, will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's basic services are reported here which includes general government, police, fire, court services, public services, health and welfare, and culture and recreation. Property taxes, sales taxes, court fines and fees, and franchise fees finance most of these activities.
- **Business-Type Activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's public utility system, regional sewer system, and sanitation services are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 38. The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to the City's residents. Some funds are required to be established by State law, while others are established by the City to help control and manage money for a particular purpose. However, these fund financial statements focus on the City's most significant funds. The City's two types of funds - governmental and proprietary - utilize different accounting approaches.

Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of the individual funds, and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the City's residents. The

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

REPORTING THE CITY AS A WHOLE - CONTINUED:

Reporting the City's Most Significant Funds - continued:

Fund Financial Statements - continued:

Governmental funds - continued:

relationship (or differences) between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The City of Ridgeland considers the General Fund, Debt Service Fund, Colony Park TIF Bond Debt Fund, City Center Fund and Lake Harbour Drive Extension Fund to be major funds and, therefore, presents information on these funds separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from all other governmental funds are combined into a single, aggregated nonmajor fund presentation.

Proprietary funds - The City charges customers for certain services it provides. These services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information such as cash flows. The Internal Service Fund is utilized to report activities that provide services for the City's other programs and activities. Because these services benefit both governmental as well as business-type functions, their cost has been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Ridgeland maintains three individual enterprise funds. The City uses enterprise funds to account for its public utility system, regional sewer system and sanitation services. The proprietary fund financial statements provide separate information for the Public Utility Fund, East Madison County Regional Sewer Fund, and Sanitation Fund.

FINANCIAL ANALYSIS OF THE CITY

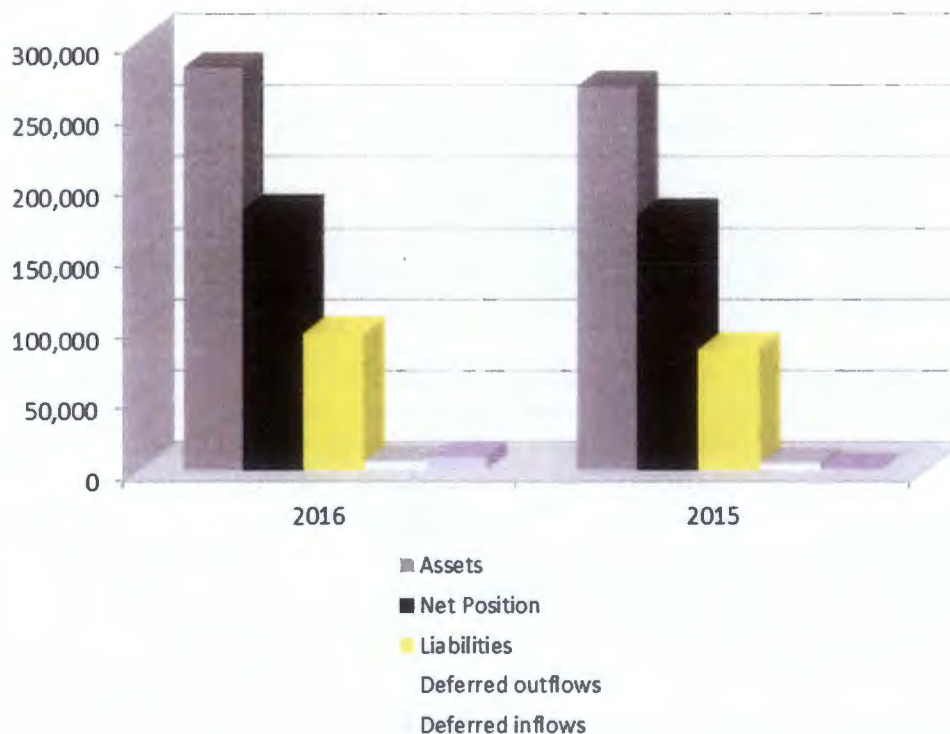
Over time the trend as well as the amount of net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$216,608,683 at September 30, 2016.

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities

The following chart depicts the total amount of assets, deferred outflows, liabilities, deferred inflows and net position as of September 30, 2016 and 2015 in the governmental activities column of the government-wide financial statements. The amounts are expressed in thousands.



The largest portion of the City's net position for governmental activities (\$162,630,035, or 89.0%) is net investment in capital assets (capital assets less any capital related outstanding debt used to acquire those capital assets). Although the City's investment in capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and not the capital assets themselves.

Table 1 provides a summary of the City's net position for governmental activities. The City's net position for governmental activities was \$182,804,226 and \$187,443,653 as of September 30, 2016 and 2015, respectively. Prior year amounts have not been restated to reflect the effect of the current year prior period adjustments and reclassification.

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

**(Table 1)
Condensed Statement of Net Position - Governmental Activities
At September 30, 2016 and 2015**

	2016	2015	Percentage Change
ASSETS:			
Current and other assets	\$ 55,452,792	52,974,651	4.7%
Capital assets	<u>226,417,856</u>	<u>215,568,181</u>	5.0%
Total assets	<u>281,870,648</u>	<u>268,542,832</u>	5.0%
Deferred outflows of resources:			
Deferred outflows related to pension	<u>5,887,433</u>	<u>4,460,352</u>	32.0%
Total deferred outflows of resources	<u>5,887,433</u>	<u>4,460,352</u>	32.0%
LIABILITIES:			
Current liabilities	7,313,084	37,103,270	-80.3%
Noncurrent liabilities	<u>88,853,161</u>	<u>47,606,421</u>	86.6%
Total liabilities	<u>96,166,245</u>	<u>84,709,691</u>	13.5%
Deferred inflows of resources			
Unavailable property taxes	7,822,120	-	100.0%
Deferred inflows related to pension	<u>965,490</u>	<u>849,540</u>	13.6%
Total deferred inflows of resources	<u>8,787,610</u>	<u>849,540</u>	934.4%
NET POSITION:			
Net investment in capital assets	162,630,035	191,730,165	-15.2%
Restricted	28,229,297	395,589	7036.0%
Unrestricted	<u>(8,055,106)</u>	<u>(4,682,101)</u>	-72.0%
Total net position	\$ <u>182,804,226</u>	<u>187,443,653</u>	-2.5%

In connection with the implementation of recent standards on accounting and financial reporting for pensions, management presents the following additional information:

Total unrestricted net position (deficit)	\$ (8,055,106)
Less unrestricted deficit in net position resulting from implementation of GASB No. 68 and 71	<u>23,506,469</u>
Unrestricted net position, exclusive of the net pension liability effect	\$ <u>15,451,363</u>

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

The Changes in Net Position for the years ended September 30, 2016 and 2015 are summarized in Table 2 below. Prior year amounts have not been restated to reflect the effect of the current year prior period adjustments and reclassification.

(Table 2)
Condensed Statement of Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015	Percentage Change
REVENUES:			
Program revenues:			
Charges for services	\$ 3,281,613	9,995,037	-67.2%
Operating grants and contributions	223,871	197,880	13.1%
Capital grants and contributions	3,798,644	4,512,968	-15.8%
Total program revenues	<u>7,304,128</u>	<u>14,705,885</u>	-50.3%
General revenues:			
Property taxes	9,661,857	9,362,114	3.2%
Sales taxes	13,597,992	13,786,999	-1.4%
Other revenues	3,621,342	1,445,021	150.6%
Total general revenues	<u>26,881,191</u>	<u>24,594,134</u>	9.3%
Total revenues	<u>34,185,319</u>	<u>39,300,019</u>	-13.0%
EXPENSES:			
General government	5,665,790	3,643,081	55.5%
Public safety	11,785,070	15,109,345	-22.0%
Court services	324,176	-	100.0%
Public services	7,319,096	7,880,397	-7.1%
Health and welfare	54,177	-	100.0%
Culture and recreation	2,697,019	2,988,401	-9.8%
Interest on long-term debt	2,570,245	2,170,647	18.4%
Bond issuance costs	365,228	2,726,170	-86.6%
Total expenses	<u>30,780,801</u>	<u>34,518,041</u>	-10.8%
CHANGES IN NET POSITION BEFORE TRANSFERS	3,404,518	4,781,978	-28.8%
TRANSFERS	<u>-</u>	<u>235,922</u>	-100.0%
INCREASE IN NET POSITION	3,404,518	5,017,900	-32.2%
NET POSITION, BEGINNING OF YEAR, as previously reported	187,443,653	202,534,420	-7.5%

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

Table 2 - continued:
Condensed Statement of Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	2016	2015	Percentage Change
PRIOR PERIOD ADJUSTMENT	\$ (4,020,771)	(20,565,665)	-80.4%
FUND RECLASSIFICATION	(4,023,174)	456,998	-980.3%
NET POSITION AT BEGINNING OF YEAR, as restated	179,399,708	182,425,753	-1.7%
NET POSITION AT END OF YEAR	\$ 182,804,226	187,443,653	-2.5%

Several revenue sources fund our governmental activities. The City's largest source of operating revenue was received from sales tax which accounted for \$13,597,992 or 39.8% of gross revenue; revenues from charges for services accounted for \$3,281,613 or 9.6% of gross revenues; and property taxes accounted for \$9,661,857 or 28.3% of revenues. Capital and operating grants and contributions amounted to \$4,022,515 or 11.8% of gross revenue.

Major expense activities include police and fire safety expenses accounting for 38.3% of the total program expenses, and street and public property maintenance accounting for 23.8%. The City of Ridgeland is committed to providing the best services possible for its citizens.

The City of Ridgeland has worked very hard to increase our property tax base and our sales tax collections by being proactive with new businesses in our City and limiting increases in operating costs to the minimum amount necessary to provide essential services for each department. The ability of the City to continue to provide quality services without increasing taxes rests on the City management's ability to keep these costs in line.

General Government Functions

The City's General Fund is used to account for expenditures of traditional services as well as all financial resources other than those required to be accounted for in other funds. General Fund revenues include property tax, intergovernmental revenues, various permit fees, franchise taxes, fines, and other sources as indicated on the accompanying graphs and tables. Prior year amounts have not been restated to reflect the effect of prior period adjustments.

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Table 3
General Fund Revenues and Expenditures
For the Years Ended September 30, 2016 and 2015

	2016	2015	Dollar Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Sales tax	\$ 11,826,998	12,638,142	(811,144)	-6.4%
Property tax	5,426,781	5,406,063	20,718	0.4%
Franchise fees	1,245,746	1,366,733	(120,987)	-8.9%
Licenses and permits	392,421	420,935	(28,514)	-6.8%
Intergovernmental	1,031,312	1,263,476	(232,164)	-18.4%
Charges for services	796,744	856,983	(60,239)	-7.0%
Fines and forfeitures	1,881,420	2,351,356	(469,936)	-20.0%
Interest earned	163,585	137,482	26,103	19.0%
Net unrealized loss on investments	(27,959)	55,962	(83,921)	-150.0%
Other	148,814	274,969	(126,155)	-45.9%
Total revenues	<u>22,885,862</u>	<u>24,772,101</u>	<u>(1,886,239)</u>	-7.6%
Expenditures:				
General government	5,216,934	4,703,038	513,896	10.9%
Public safety	9,877,199	10,090,983	(213,784)	-2.1%
Court services	286,576	292,885	(6,309)	-2.2%
Public services	4,328,045	4,454,131	(126,086)	-2.8%
Health and welfare	54,177	54,499	(322)	-0.6%
Culture and recreation	2,158,910	2,137,807	21,103	1.0%
Capital outlay	1,169,058	1,474,153	(305,095)	-20.7%
Debt service	20,928	10,464	10,464	100.0%
Total expenditures	<u>\$ 23,111,827</u>	<u>23,217,960</u>	<u>(106,133)</u>	-0.5%

Revenues

The primary source of General Fund revenues is sales tax. The State of Mississippi levies a general sales tax of 7% on most retail sales. Of the amount collected by the state, each municipality receives 18.5% of the amount collected within its corporate boundaries. Sales tax accounted for 51.7% of General Fund revenues in fiscal year 2016, compared to 51.0% in fiscal year 2015. Sales tax collections in fiscal year 2016 were \$11,826,998, a 6.4% decrease compared to the \$12,638,142 collected in 2015. Total General Fund operating revenues were \$22,885,862, a

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

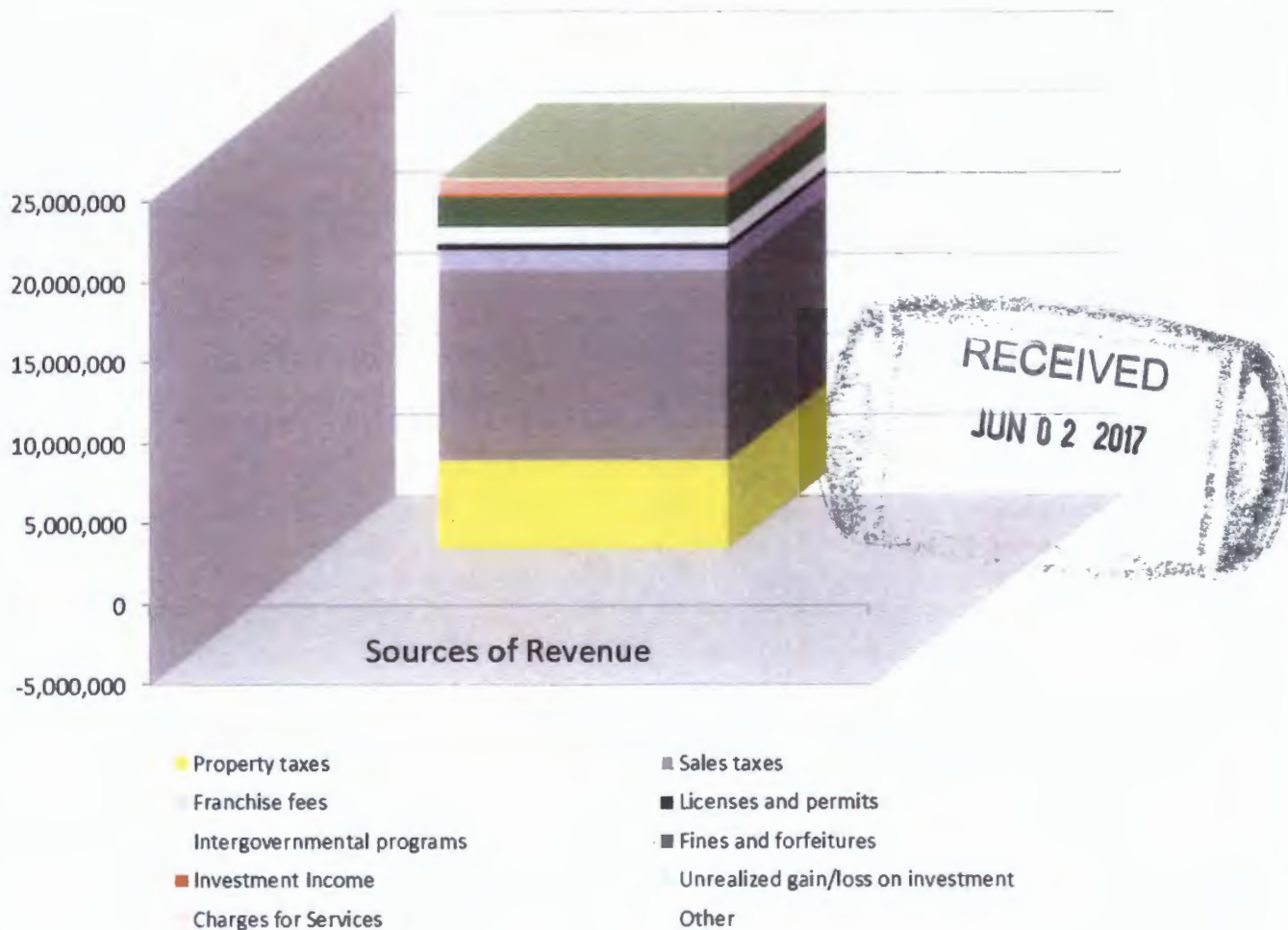
General Government Functions - continued:

Revenues - continued:

decrease of \$1,886,239 compared to the prior year. The decrease in sales tax revenue received related to an audit of businesses by the State that was requested by the City's finance department in the prior year.

Assessed valuation within the City has increased 0.1% from fiscal year 2015. The City continues to attract residents and businesses alike. The following graph presents the City's sources of Revenue for the General Fund.

General Fund 2016 Revenue Sources



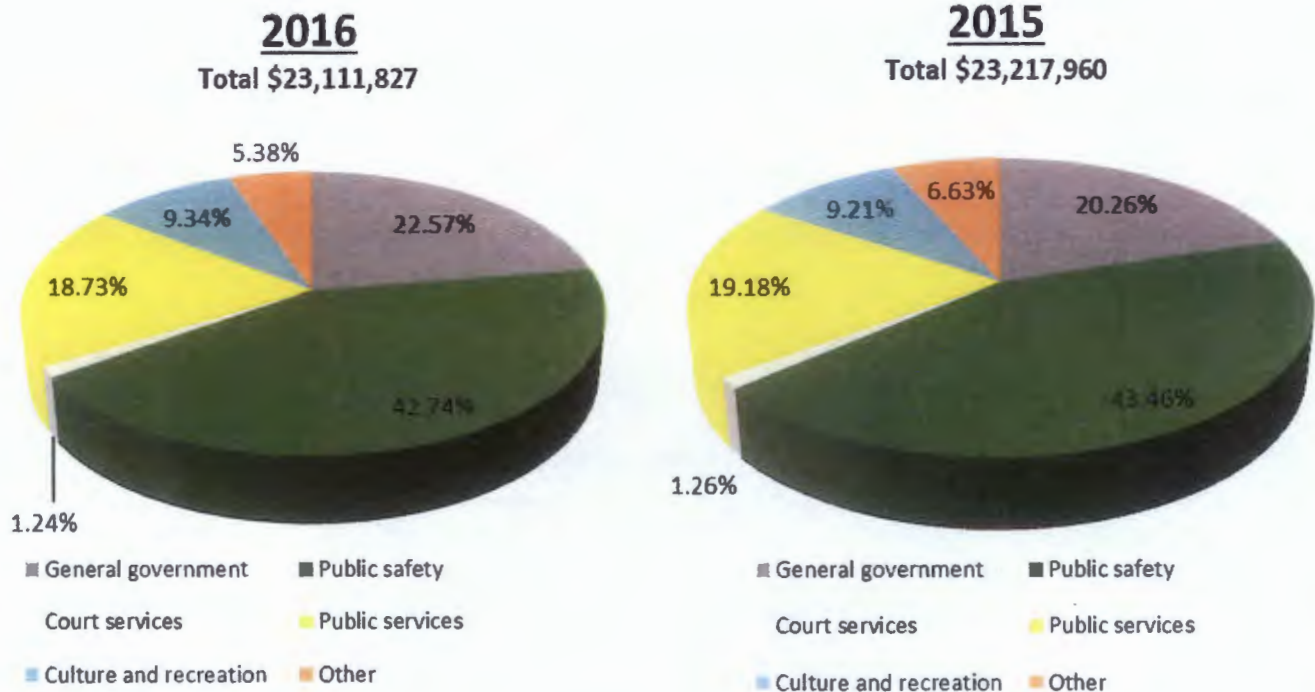
CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Expenditures

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



General Fund operating expenditures decreased \$106,133 when compared to the prior year. During the year, the City strived to save money where possible. Decreases in expenditures include a decrease in capital outlay of \$305,095, a decrease in public works other services and charges of \$220,131, and a decrease in public safety personal services of \$157,944. There was an increase in legal fees for general government in the amount of \$615,802.

The following page shows the details of the Other category in the pie charts above by year:

CITY OF RIDGELAND, MISSISSIPPI

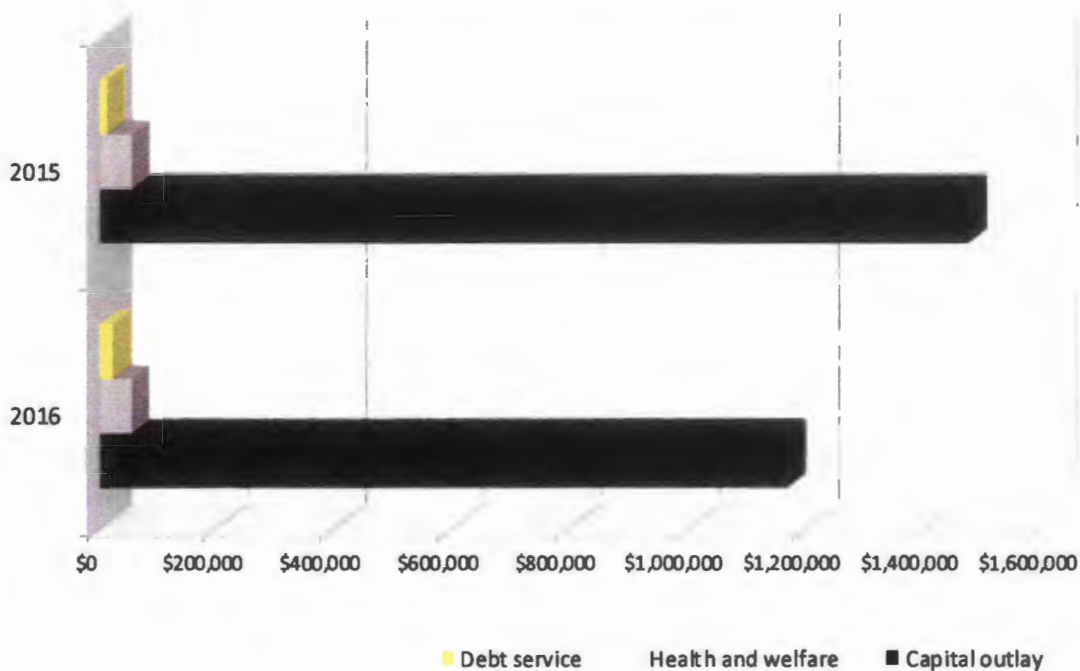
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Expenditures - continued:

General Fund's Other Expenditures



Status of Fund Balance

On the General Fund balance sheet, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and the remaining portion is available for appropriation. The fiscal year ended September 30, 2016 ending unassigned fund balance is \$13,517,186 which is 58.5% of the general fund operating expenditures.

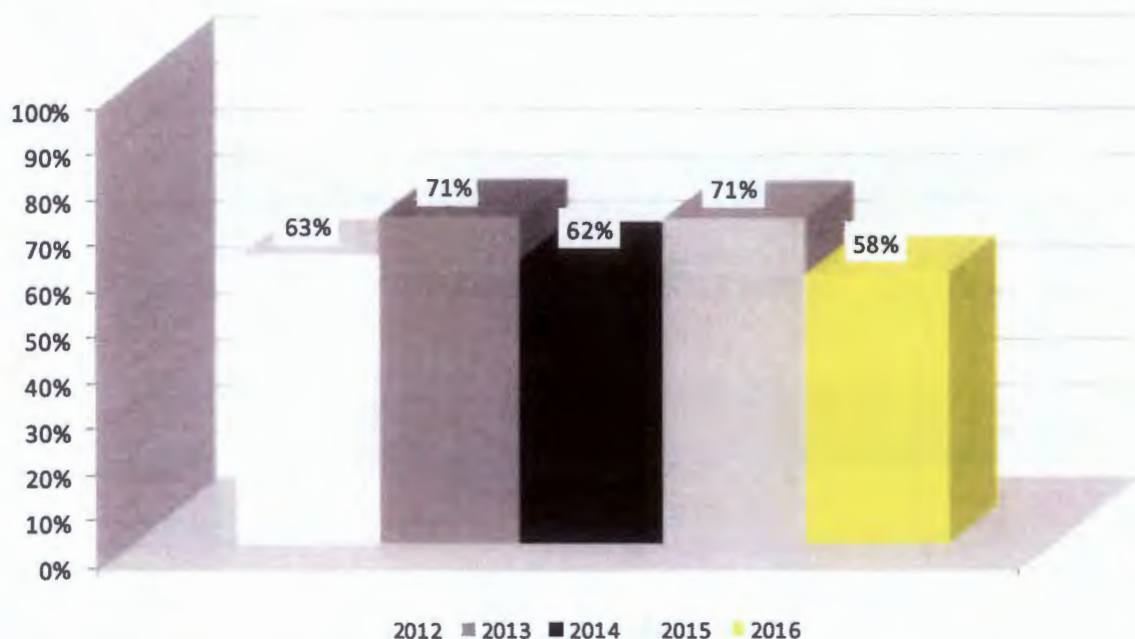
CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Status of Fund Balance - continued:

Unassigned Fund Balance as a Percentage of Expenditures



Other Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$35,299,435, an increase of \$13,823,195. \$13,484,710 or 38.2% of the fund balance is classified as unassigned, which represents the residual classification of fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes. The remaining fund balance of \$21,814,725 or 61.8% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. This year the City of Ridgeland had a positive \$13,517,186 unassigned fund balance in the general fund, which constitutes 38.3% of the total fund balance in the governmental funds. However, the Other Nonmajor Funds had a negative fund balance in the amount of \$32,476. Additionally, there were several capital project

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Other Governmental Funds - continued:

funds with negative ending fund balances. Authoritative guidance indicates that if there is a negative balance after classifying amounts as nonspendable, restricted or committed, the fund would report a negative amount as unassigned. The Board of Aldermen passed a resolution in a previous year to maintain a fund balance of at least 45% of expenditures in the General Fund.

The increase in fund balance in the Debt Service Fund was \$819,413. The increase is attributed to property tax revenues increasing as debt service requirements are decreasing. The Colony Park TIF Bond Debt Fund reported an increase of \$853,938. The Lake Harbour Drive Extension Fund reported an increase of \$1,033,083, as a result of grant proceeds for right of way acquisition. The City Center Fund reported an increase of \$10,396,231 which was the result of the transfer of bond proceeds to be used for construction. The fund balance of Other Nonmajor Funds reported an increase of \$1,242,296.

Proprietary Funds

Ridgeland's proprietary operations consist of the Public Utility Fund, the Sanitation Fund, and the East Madison County Regional Sewer (EMCRS) Fund. The Public Utility Fund accounts for traditional water and sewer revenues and expenditures to construct and maintain a water and sewer system. The Sanitation Fund accounts for revenues from garbage and recycling fees and expenses for those services. The East Madison County Regional Sewer Fund was created through an agreement between the Cities of Ridgeland, Madison, and the Pearl River Valley Water Supply District whereby all sewage is sent through interceptor lines to be treated at the City of Jackson treatment plant. All entities involved collect a separate sewer fee for this service and submit the fee to the City of Ridgeland monthly. The City of Ridgeland maintains the accounting records, forwards payments to the City of Jackson, and performs maintenance on the system.

Business-Type Activities

The Statement of Net Position for the years ended September 30, 2016 and 2015 are summarized in Table 4 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments and reclassification.



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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

(Table 4)
Condensed Statements of Net Position
Business-Type Activities
At September 30, 2016 and 2015

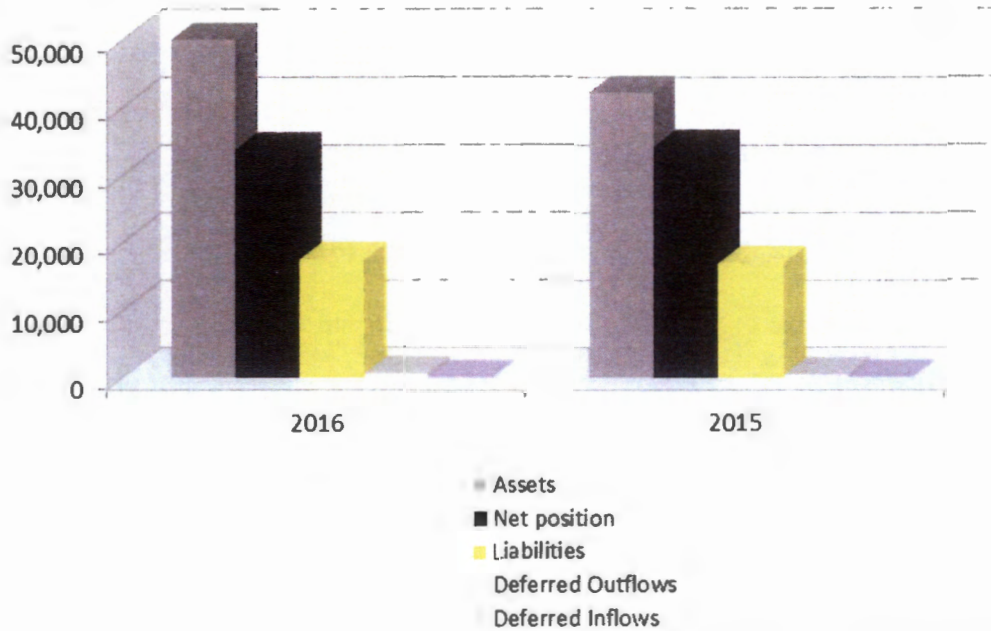
	2016	2015	Percentage Change
ASSETS:			
Current and other assets	\$ 9,488,613	8,327,263	13.9%
Capital assets	<u>41,300,033</u>	<u>33,900,505</u>	21.8%
Total assets	<u>50,788,646</u>	<u>42,227,768</u>	20.3%
 Deferred outflows of resources:			
Deferred outflows related to pension	<u>619,576</u>	<u>428,568</u>	44.6%
Total deferred outflows of resources	<u>619,576</u>	<u>428,568</u>	44.6%
 LIABILITIES:			
Current liabilities	2,360,315	1,898,455	24.3%
Noncurrent liabilities	<u>15,141,845</u>	<u>15,052,665</u>	0.6%
Total liabilities	<u>17,502,160</u>	<u>16,951,120</u>	3.3%
 Deferred inflows of resources:			
Deferred inflows related to pension	<u>101,605</u>	<u>81,627</u>	24.5%
Total deferred inflows of resources	<u>101,605</u>	<u>81,627</u>	24.5%
 NET POSITION:			
Net investment in capital assets	28,163,719	20,214,196	39.3%
Restricted	-	1,905,807	-100.0%
Unrestricted	<u>5,640,738</u>	<u>3,503,586</u>	61.0%
Total net position	<u>\$ 33,804,457</u>	<u>25,623,589</u>	31.9%

The following chart shows the assets, deferred outflows, liabilities, deferred inflows and net position for the government wide, business-type activities. The amounts are expressed in thousands.

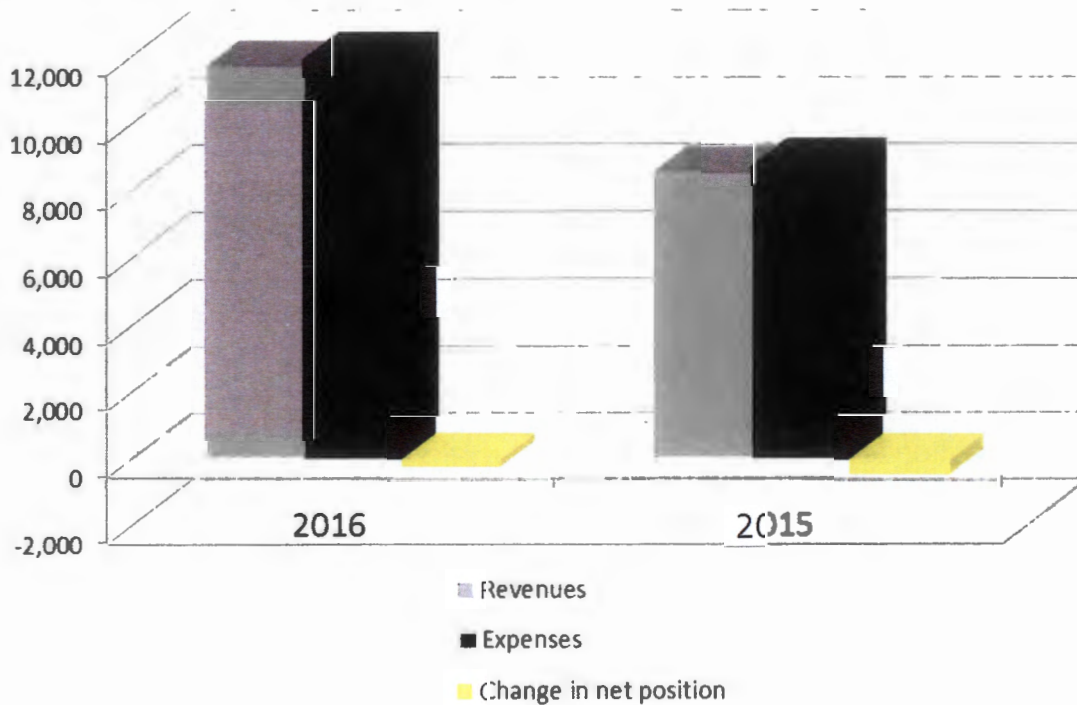
CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:



Below is a comparative analysis of the revenues and expenses of the government-wide statements Business-Type Activities column.



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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

The Changes in Net Position for the years ended September 30, 2016 and 2015 are summarized in table 5 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments and reclassifications.

(Table 5)
Condensed Statements of Changes in Net Position
Business-Type Activities
For the Years Ended September 30, 2016 and 2015

	2016	2015	Percentage Change
REVENUES:			
Program revenues:			
Charges for services	\$ 11,463,354	8,406,422	36.4%
Capital grants and contributions	93,428	11,196	734.5%
Total program revenues	<u>11,556,782</u>	<u>8,417,618</u>	37.3%
General revenues:			
Other	161,166	129,341	24.6%
Total general revenues	<u>161,166</u>	<u>129,341</u>	24.6%
Total revenues	<u>11,717,948</u>	<u>8,546,959</u>	37.1%
EXPENSES:			
Public utility	10,781,335	7,493,963	43.9%
Sanitation	1,313,507	1,277,597	2.8%
Total expenses	<u>12,094,842</u>	<u>8,771,560</u>	37.9%
CHANGE IN NET POSITION BEFORE TRANSFERS	(376,894)	(224,601)	67.8%
TRANSFERS	<u>-</u>	<u>(235,922)</u>	-100.0%
DECREASE IN NET POSITION	(376,894)	(460,523)	-18.2%
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	25,623,589	28,418,355	-9.8%
PRIOR PERIOD ADJUSTMENT	4,534,588	(1,877,245)	-341.6%
FUND RECLASSIFICATION	<u>4,023,174</u>	<u>(456,998)</u>	-980.3%
NET POSITION AT BEGINNING OF YEAR, as restated	<u>34,181,351</u>	<u>26,084,112</u>	31.0%
NET POSITION AT END OF YEAR	<u>\$ 33,804,457</u>	<u>25,623,589</u>	31.9%

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

Total revenues of the City's business-type activities were \$11,717,948 and \$8,546,959 for the fiscal years ended September 30, 2016 and 2015, respectively. Total expenses including transfers for the City's business-type activities were \$12,094,842 for 2016 and \$9,007,482 for 2015, resulting in a decrease in net position of \$376,894 in 2016 and \$460,523 in 2015.

Public Utility Fund

The City operates its own water and sewer utility system. Comparative financial data for the Public Utility Revenue Fund for the last two fiscal years is presented below:

	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 6,924,368	6,918,799
Operating expenses	<u>(7,152,829)</u>	<u>(7,156,143)</u>
Operating income (loss)	\$ <u>(228,461)</u>	<u>(237,344)</u>

East Madison County Regional Sewer Fund

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

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

	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 3,116,221	3,241,426
Operating expenses	<u>(3,187,175)</u>	<u>(3,316,548)</u>
Operating income (loss)	\$ <u>(70,954)</u>	<u>(75,122)</u>

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

Sanitation Fund

Comparative financial data for the Sanitation Fund for the last two years is presented as follows:

	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 1,510,678	1,487,623
Operating expenses	<u>(1,313,507)</u>	<u>(1,277,597)</u>
Operating income	<u>\$ 197,171</u>	<u>210,026</u>

BUDGETARY HIGHLIGHTS

The City's budgets are prepared using the modified cash basis in accordance with the laws of the State of Mississippi. The most significant budgeted fund is the General Fund.

During the course of 2016, the City budgeted its general fund expenditures taking into consideration the need to repair additional streets and purchase additional capital equipment. An analysis of the final budget to actual budget variances reveal consistent cost saving at each department level as detailed at Exhibit B-1.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS

At September 30, 2016, the City's capital assets include nondepreciable assets consisting of land and construction in progress of \$131,241,673, and depreciable capital assets, net of accumulated depreciation of \$95,176,183 for a total of \$226,417,856 capital assets as reported in the Governmental Activities column of the Statement of Net Position. The changes in capital assets are summarized in table 6 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS - CONTINUED:

**(Table 6)
GOVERNMENTAL ACTIVITIES
Capital Assets
(Net of Depreciation)**

	September 30, 2016	September 30, 2015	Percentage Change
Land	\$ 117,361,482	110,685,995	6.0%
Construction in progress	13,880,191	28,152,743	-50.7%
Buildings	9,874,184	10,136,274	-2.6%
Improvements other than buildings	5,718,861	6,021,901	-5.0%
Infrastructure	76,159,135	53,637,596	42.0%
Vehicles	2,088,502	2,262,694	-7.7%
Furniture and equipment	1,216,353	1,164,569	4.4%
Leased property	<u>119,148</u>	<u>75,102</u>	58.6%
Total	\$ <u>226,417,856</u>	<u>212,136,874</u>	6.7%

At September 30, 2016, the City of Ridgeland had \$29,174,375 in outstanding General Obligation Bonds, including premiums on bonds issued, \$29,353,697 in outstanding Limited Obligation Bonds, including premium and discount on bonds issued, and \$6,110,649 in other Long-Term Debt, including compensated absences. The City's overall legal debt margin at September 30, 2016 was \$38,754,918.

**(Table 7)
GOVERNMENTAL ACTIVITIES
Outstanding Notes and Long-Term Obligations at Year End**

	September 30, 2016	September 30, 2015	Percentage Change
General obligation bonds	\$ 29,174,375	18,995,457	53.6%
Limited obligation bonds	29,353,697	31,001,645	100.0%
Loans and leases payable	5,259,749	5,334,276	-1.4%
Compensated absences	<u>850,900</u>	<u>677,974</u>	25.5%
Total	\$ <u>64,638,721</u>	<u>56,009,352</u>	15.4%

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

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS - CONTINUED:

At September 30, 2016, the City had over \$41 million invested in a broad range of capital assets related to business-type activities. See Table 8 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments.

(Table 8)
BUSINESS-TYPE ACTIVITIES
Capital Assets
(Net of Depreciation)

	September 30, 2016	September 30, 2015	Percentage Change
Land	\$ 3,325,437	1,923,266	72.9%
Construction in progress	729,498	142,960	410.3%
Buildings	216,930	249,138	-12.9%
Utility Systems	36,690,872	31,316,131	17.2%
Vehicles	113,084	100,347	12.7%
Machinery and equipment	224,212	168,662	32.9%
Total	\$ <u>41,300,033</u>	<u>33,900,504</u>	21.8%

See Note 6 to the Financial Statements for more detailed information concerning capital assets.

At September 30, 2016, the City of Ridgeland had \$8,455,794 in outstanding General Obligation Bonds, including premiums on bonds issued, and \$4,764,712 in other Long-Term Debt, including compensated absences. Compensated absences increased \$18,930 during the year.

(Table 9)
BUSINESS-TYPE ACTIVITIES
Outstanding Notes and Long-Term Obligations at Year End

	September 30, 2016	September 30, 2015	Percentage Change
General obligation bonds	\$ 8,455,794	9,167,958	-7.8%
Other long-term debt	4,680,520	4,518,351	3.6%
Compensated absences	84,192	65,262	29.0%
Total	\$ <u>13,220,506</u>	<u>13,751,571</u>	-3.9%

See Note 7 to the Financial Statements for more detailed information concerning long-term debt.

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. Our mailing address is City of Ridgeland, P.O. Box 217, Ridgeland, MS 39158. If you have any questions about this report or need additional financial information, contact Paula W. Tierce, City Clerk, at (601) 856-7113 or visit our website at www.ridgelandms.org.



CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,741,852	4,744,545	10,486,397
Investments	6,170,324	3,033,251	9,203,575
Receivables (net, where applicable of allowance for uncollectibles):			
Accounts	2,175,269	932,885	3,108,154
Grants	1,941,546	124,231	2,065,777
Taxes	10,304,980	-	10,304,980
Special assessments	71,913	-	71,913
Other governments	8,903,789	-	8,903,789
Interest	56,748	11,223	67,971
Internal balances	183,615	(183,615)	-
Inventories	-	154,232	154,232
Prepays	111,492	12,678	124,170
Restricted assets:			
Cash and cash equivalents	11,326,813	-	11,326,813
Investments	8,464,451	659,183	9,123,634
Capital assets:			
Non-depreciable capital assets	131,241,673	4,054,935	135,296,608
Depreciable capital assets, net	<u>95,176,183</u>	<u>37,245,098</u>	<u>132,421,281</u>
Total assets	<u>281,870,648</u>	<u>50,788,646</u>	<u>332,659,294</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	<u>5,887,433</u>	<u>619,576</u>	<u>6,507,009</u>
Total deferred outflows of resources	\$ <u>5,887,433</u>	<u>619,576</u>	<u>6,507,009</u>

The accompanying notes are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 761,412	522,766	1,284,178
Accrued liabilities	260,063	31,098	291,161
Claims payable	80,184	-	80,184
Accrued interest payable	1,116,316	76,887	1,193,203
Customer deposits	-	659,183	659,183
Court bonds	167,293	-	167,293
Due to other governments	1,732	-	1,732
Unearned revenue	712,112	-	712,112
Noncurrent liabilities:			
Due within one year:			
Compensated absences	42,545	4,210	46,755
Loans and leases payable	394,123	329,008	723,131
Bonds payable	3,777,304	737,163	4,514,467
Due in more than one year:			
Compensated absences	808,355	79,982	888,337
Loans and leases payable	4,865,626	4,351,512	9,217,138
Bonds payable	54,750,768	7,718,631	62,469,399
Net pension liability	28,428,412	2,991,720	31,420,132
Total liabilities	<u>96,166,245</u>	<u>17,502,160</u>	<u>113,668,405</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	7,822,120	-	7,822,120
Deferred inflows related to pension	965,490	101,605	1,067,095
Total deferred inflows of resources	<u>8,787,610</u>	<u>101,605</u>	<u>8,889,215</u>
<u>NET POSITION</u>			
Net investment in capital assets	162,630,035	28,163,719	190,793,754
Restricted for:			-
Court services	588,530	-	588,530
Public safety	120,928	-	120,928
Debt service	15,288,655	-	15,288,655
Capital projects	12,231,184	-	12,231,184
Unrestricted	<u>(8,055,106)</u>	<u>5,640,738</u>	<u>(2,414,368)</u>
Total net position	\$ <u>182,804,226</u>	<u>33,804,457</u>	<u>216,608,683</u>

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Service	Grants and	Grants and
			Contributions	Contributions
<u>Functions/Programs:</u>				
Governmental activities:				
General government	\$ 5,665,790	913,749	-	-
Public safety	11,785,070	2,007,155	223,871	162,226
Court services	324,176	-	-	-
Public services	7,319,096	99,768	-	3,636,418
Health and welfare	54,177	-	-	-
Culture and recreation	2,697,019	260,941	-	-
Interest on long-term debt	2,570,245	-	-	-
Bond issuance costs	365,228	-	-	-
Total government activities	<u>30,780,801</u>	<u>3,281,613</u>	<u>223,871</u>	<u>3,798,644</u>
Business-type activities:				
Sanitation	1,313,507	1,510,678	-	-
Public utility	<u>10,781,335</u>	<u>9,952,676</u>	-	<u>93,428</u>
Total business-type activities	<u>12,094,842</u>	<u>11,463,354</u>	-	<u>93,428</u>
Total government	<u>\$ 42,875,643</u>	<u>14,744,967</u>	<u>223,871</u>	<u>3,892,072</u>
General revenues:				
Taxes:				
Ad valorem taxes				
Sales tax				
Utility in lieu of tax				
Franchise fees				
General intergovernmental revenue				
Investment earnings				
Net unrealized loss on investments				
Gain on disposal of capital assets				
Contributions not restricted to specific programs				
Other				
Total general revenues				
Change in net position				
Net position at beginning of year, as previously reported				
Prior period adjustments				
Fund reclassification				
Net position at beginning of year, as restated				
Net position at end of year				

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
(4,752,041)	-	(4,752,041)
(9,391,818)	-	(9,391,818)
(324,176)	-	(324,176)
(3,582,910)	-	(3,582,910)
(54,177)	-	(54,177)
(2,436,078)	-	(2,436,078)
(2,570,245)	-	(2,570,245)
(365,228)	-	(365,228)
<u>(23,476,673)</u>	<u>-</u>	<u>(23,476,673)</u>
-	197,171	197,171
-	<u>(735,231)</u>	<u>(735,231)</u>
-	<u>(538,060)</u>	<u>(538,060)</u>
<u>(23,476,673)</u>	<u>(538,060)</u>	<u>(24,014,733)</u>
9,661,857	-	9,661,857
13,597,992	-	13,597,992
353,933	-	353,933
1,245,746	-	1,245,746
1,688,417	-	1,688,417
212,069	77,179	289,248
(31,573)	(16,184)	(47,757)
3,936	12,258	16,194
37,322	-	37,322
111,492	87,913	199,405
<u>26,881,191</u>	<u>161,166</u>	<u>27,042,357</u>
3,404,518	(376,894)	3,027,624
187,443,653	25,623,589	213,067,242
(4,020,771)	4,534,588	513,817
<u>(4,023,174)</u>	<u>4,023,174</u>	<u>-</u>
<u>179,399,708</u>	<u>34,181,351</u>	<u>213,581,059</u>
<u>182,804,226</u>	<u>33,804,457</u>	<u>216,608,683</u>

CITY OF RIDGELAND, MISSISSIPPI

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,240,994	1,213,826	4,600,070
Investments	6,170,324	-	-
Receivables (net of allowance for uncollectibles, where applicable):			
Accounts	1,494,545	-	-
Grants	46,180	-	-
Taxes	6,109,079	3,244,946	802,219
Special assessments	-	-	-
Interest	29,953	-	-
Other governments	40,000	-	8,453,359
Due from other funds	2,559,232	-	-
Prepays	<u>111,492</u>	-	-
Total assets	\$ <u>22,801,799</u>	<u>4,458,772</u>	<u>13,855,648</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 511,283	7,000	-
Accrued liabilities	260,063	-	-
Court bonds	167,293	-	-
Due to other governments	-	-	-
Due to other funds	-	-	157,766
Unearned revenue	<u>31,388</u>	-	-
Total liabilities	<u>970,027</u>	<u>7,000</u>	<u>157,766</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	4,031,397	3,133,544	578,552
Unavailable revenue - special assessment	-	-	-
Unavailable revenue - court fines	1,205,863	-	-
Unavailable revenue - Madison county	-	-	<u>8,453,359</u>
Total deferred inflows of resources	<u>5,237,260</u>	<u>3,133,544</u>	<u>9,031,911</u>
Fund Balances:			
Nonspendable:			
Prepaid items	111,492	-	-
Restricted for:			
Court services	581,530	-	-
Public safety	-	-	-
Debt service	-	1,318,228	4,665,971
Capital projects	-	-	-
Assigned to:			
Fiscal year 2017 budget appropriations	<u>2,377,304</u>	-	-
Unassigned	<u>13,517,186</u>	-	-
Total fund balances	<u>16,504,512</u>	<u>1,318,228</u>	<u>4,665,971</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>22,801,799</u>	<u>4,458,772</u>	<u>13,855,648</u>

The accompanying notes are an integral part of this statement.

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CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund
REVENUES:			
Taxes:			
Sales taxes	\$ 11,826,998	-	1,350,340
Current year ad valorem taxes	5,425,076	3,577,262	575,745
Prior year ad valorem taxes	1,705	1,351	-
Special assessments	-	-	-
Franchise fees	1,245,746	-	-
Licenses and permits	392,421	-	-
Intergovernmental	1,031,312	17,819	1,756,603
Charges for services	796,744	-	-
Fines and forfeitures	1,881,420	-	-
Contributions	37,322	-	-
Interest earned	163,585	2,152	3,200
Net unrealized loss on investments	(27,959)	-	-
Miscellaneous	111,492	-	-
Total revenues	<u>22,885,862</u>	<u>3,598,584</u>	<u>3,685,888</u>
EXPENDITURES:			
General government	5,216,934	-	-
Public safety	9,877,199	-	-
Court services	286,576	-	-
Public service	4,328,045	-	-
Health and welfare	54,177	-	-
Culture and recreation	2,158,910	-	-
Capital outlay	1,169,058	-	-
Debt service:			
Principal	19,551	2,091,935	1,330,000
Interest and other fiscal charges	1,377	687,236	1,501,950
Bond issuance costs	-	-	-
Total expenditures	<u>23,111,827</u>	<u>2,779,171</u>	<u>2,831,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,965)</u>	<u>819,413</u>	<u>\$53,938</u>

City Center Fund	Lake Harbour Drive Ext. Fund	Other Nonmajor Funds	Total Governmental Funds
3,024,527	-	1,676,273	16,755,690
8,464,451	-	-	14,634,775
-	-	-	1,494,545
-	1,683,288	212,078	1,941,546
-	-	148,736	10,304,980
-	-	71,913	71,913
26,795	-	-	56,748
-	-	410,430	8,903,789
-	-	-	2,559,232
-	-	-	111,492
<u>11,515,773</u>	<u>1,683,288</u>	<u>2,519,430</u>	<u>56,834,710</u>
24,426	2,394	216,309	761,412
-	-	-	260,063
-	-	-	167,293
-	-	1,732	1,732
181,066	759,991	1,283,213	2,382,036
-	-	-	31,388
<u>205,492</u>	<u>762,385</u>	<u>1,501,254</u>	<u>3,603,924</u>
-	-	78,627	7,822,120
-	-	39,579	39,579
-	-	-	1,205,863
-	-	410,430	8,863,789
-	-	528,636	17,931,351
-	-	-	111,492
-	-	-	588,530
-	-	120,928	120,928
-	-	401,088	6,385,287
11,310,281	920,903	-	12,231,184
-	-	-	2,377,304
-	-	(32,476)	13,484,710
<u>11,310,281</u>	<u>920,903</u>	<u>489,540</u>	<u>35,299,435</u>
<u>11,515,773</u>	<u>1,683,288</u>	<u>2,519,430</u>	<u>56,834,710</u>



CITY OF RIDGELAND, MISSISSIPPI

**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

Total fund balances - governmental funds **\$ 35,299,435**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in the operation of governmental funds are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	321,268,136	
Less accumulated depreciation	<u>(94,850,280)</u>	226,417,856

Fines revenue that was earned in the current period but not received within 60 days is not recognized in the fund statement but recognized under full accrual.		1,205,863
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Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds and recognized as revenue in the Statement of Activities.		8,903,368
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An internal service fund is used by management to charge the assets and liabilities of the internal service revenue fund are included in governmental activities in the Statement of Net Position.		239,210
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Some liabilities, including net pension obligations, are not due and payable in the current period and therefore, are not reported in the funds:		
Net pension liability		(28,428,412)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pension	5,887,433	
Deferred inflows of resources related to pension	<u>(965,490)</u>	4,921,943

Long-term liabilities of governmental funds, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. These long-term liabilities consist of:		
Bond obligations	(58,528,072)	
Loan and lease obligations	(5,259,749)	
Accrued interest payable	(1,116,316)	
Compensated absences	<u>(850,900)</u>	(65,755,037)
Net position of governmental activities		\$ <u>182,804,226</u>

The accompanying notes are an integral part of this statement.

City Center Fund	Lake Harbour Drive Ext. Fund	Other Nonmajor Funds	Total Governmental Funds
-	-	420,654	13,597,992
-	-	80,718	9,658,801
-	-	-	3,056
-	-	45,714	45,714
-	-	-	1,245,746
-	-	-	392,421
-	3,289,770	458,129	6,553,633
-	-	-	796,744
-	-	23,866	1,905,286
-	-	-	37,322
41,357	-	1,271	211,565
(3,614)	-	-	(31,573)
-	-	-	111,492
<u>37,743</u>	<u>3,289,770</u>	<u>1,030,352</u>	<u>34,528,199</u>
-	-	-	5,216,934
-	-	-	9,877,199
-	-	-	286,576
-	-	-	4,328,045
-	-	-	54,177
-	-	-	2,158,910
380,006	2,256,687	745,262	4,551,013
-	-	385,000	3,826,486
-	-	59,725	2,250,288
-	-	365,228	365,228
<u>380,006</u>	<u>2,256,687</u>	<u>1,555,215</u>	<u>32,914,856</u>
<u>(342,263)</u>	<u>1,033,083</u>	<u>(524,863)</u>	<u>1,613,343</u>

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Colony Park TIF Bond Debt Fund</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from capital lease	\$ 65,109	-	-
Proceeds from bond issuance	-	-	-
Proceeds from taxable negotiable refunding bond	-	-	-
Proceeds from premium on bond	-	-	-
Debt service principal	-	-	-
Sale of capital assets	37,410	-	-
Operating transfers in	-	-	-
Operating transfers out	(398,320)	-	-
Total other financing sources (uses)	<u>(295,801)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(521,766)	819,413	853,938
 Fund balances at beginning of year, as previously reported	 17,034,417	 462,618	 -
Prior period adjustments	<u>81,861</u>	<u>36,197</u>	<u>3,812,033</u>
Fund balance at beginning of year, as restated	<u>17,116,278</u>	<u>498,815</u>	<u>3,812,033</u>
Fund balances at end of year	\$ <u>16,594,512</u>	<u>1,318,228</u>	<u>4,665,971</u>

The accompanying notes are an integral part of this statement.

City Center Fund	Lake Harbour Drive Ext. Fund	Other Nonmajor Funds	Total Governmental Funds
-	-	-	65,109
-	-	11,900,000	11,900,000
-	-	1,845,000	1,845,000
-	-	173,695	173,695
-	-	(1,814,089)	(1,814,089)
-	-	2,727	40,137
10,738,494	-	398,320	11,136,814
-	-	(10,738,494)	(11,136,814)
<u>10,738,494</u>	<u>-</u>	<u>1,767,159</u>	<u>12,209,852</u>
10,396,231	1,033,083	1,242,296	13,823,195
914,050	(112,180)	(875,394)	17,423,511
-	-	122,638	4,052,729
<u>914,050</u>	<u>(112,180)</u>	<u>(752,756)</u>	<u>21,476,240</u>
<u>11,310,281</u>	<u>920,903</u>	<u>489,540</u>	<u>35,299,435</u>

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CITY OF RIDGELAND, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Net change in fund balances - total governmental funds **\$ 13,823,195**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those
assets is depreciated over their estimated useful lives:

Expenditures for capital assets	5,060,239	
Less current year depreciation expense	<u>(4,465,573)</u>	594,666

The net effect of other miscellaneous transactions involving
capital assets (i.e., sales, trade-ins, and donations) is to
decrease net position. (36,201)

Revenues in the funds that provide current financial resources
but have been included in the Statement of Activities in prior
fiscal years. (347,320)

The amortization of bond premiums and discounts is reported on
the fund financial statements when debt is issued but amortized
in the Statement of Activities. 53,636

Bond and capital lease proceeds provide current financial
resources to governmental funds; however, issuing debt
increases long-term liabilities in the Statement of Net Position.

In the current year proceeds were received from:

Bonds and capital lease obligations issued, including
a bond premium of \$173,695. (13,983,804)

Repayment of long-term debt is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Position. 5,640,575

CITY OF RIDGELAND, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

The Statement of Activities reports pension expense and other activity related to the net pension liability:

Contributions made after the measurement date	426,948	
Pension expense	<u>(2,164,392)</u>	\$ (1,737,444)

An internal service fund is used by management to charge the cost of health and dental insurance to individual funds. The net revenue (expense) is reported with governmental activities.

(56,266)

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:

Change in accrued interest payable	(373,593)	
Change in compensated absences	<u>(172,926)</u>	<u>(546,519)</u>

Change in net position of governmental activities		\$ <u>3,404,518</u>
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The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	Internal Service Fund
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 4,150,093	594,452	-	4,744,545	312,975
Investments	3,033,251	-	-	3,033,251	-
Receivable (net of allowances for uncollectibles, where applicable):					
Accounts	630,043	180,876	121,966	932,885	-
Grants	124,231	-	-	124,231	-
Interest	11,223	-	-	11,223	-
Due from other funds	63,175	-	-	63,175	-
Inventories	154,232	-	-	154,232	-
Prepays	12,678	-	-	12,678	-
Total current assets	8,178,926	775,328	121,966	9,076,220	312,975
Restricted assets:					
Investments	659,183	-	-	659,183	-
Total restricted assets	659,183	-	-	659,183	-
Property, plant and equipment:					
Land	3,325,437	-	-	3,325,437	-
Building	782,034	-	-	782,034	-
Equipment	1,205,744	31,889	-	1,237,633	-
Motor Vehicle	1,067,751	65,370	-	1,133,121	-
Infrastructure	48,947,461	6,309,419	-	55,256,880	-
	55,328,427	6,406,678	-	61,735,105	-
Less: accumulated depreciation	(18,637,591)	(2,526,979)	-	(21,164,570)	-
	36,690,836	3,879,699	-	40,570,535	-
Construction in progress	729,498	-	-	729,498	-
Net property, plant and equipment	37,420,334	3,879,699	-	41,300,033	-
Total assets	46,258,443	4,655,027	121,966	51,035,436	312,975
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows related to pension	599,055	20,521	-	619,576	-
Total deferred outflows of resources	\$ 599,055	20,521	-	619,576	-

The accompanying notes are an integral part of this statement.

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	Internal Service Fund
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 144,997	265,722	112,047	522,766	-
Claims payable	-	-	-	-	80,184
Accrued liabilities	30,059	1,039	-	31,098	-
Accrued interest payable	76,887	-	-	76,887	-
Due to other funds	107,044	-	133,327	240,371	-
Compensated absences - current	4,210	-	-	4,210	-
Notes payable - current	329,008	-	-	329,008	-
Bonds payable - current	737,163	-	-	737,163	-
Total current liabilities	1,429,368	266,761	245,374	1,941,503	80,184
Current liabilities payable from restricted assets:					
Customer deposits	659,183	-	-	659,183	-
Long-term liabilities:					
Compensated absences	79,982	-	-	79,982	-
Notes payable - net of current portion	4,351,512	-	-	4,351,512	-
Bonds payable - net of current portion	7,718,631	-	-	7,718,631	-
Net pension liability	2,892,630	99,090	-	2,991,720	-
Total non-current liabilities	15,042,755	99,090	-	15,141,845	-
Total liabilities	17,131,306	365,851	245,374	17,742,531	80,184
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows related to pension	98,240	3,365	-	101,605	-
Total deferred inflows of resources	98,240	3,365	-	101,605	-
<u>NET POSITION</u>					
Net investment in capital assets	24,284,020	3,879,699	-	28,163,719	-
Unrestricted	5,343,932	426,633	(123,408)	5,647,157	232,791
Total net position	\$ 29,627,952	4,306,332	(123,408)	33,810,876	232,791
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(6,419)	
Net position of business-type activities				\$ 33,804,457	

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	Internal Service Fund
OPERATING REVENUES:					
Water sales	\$ 3,384,805	-	-	3,384,805	-
Sewer charges	3,165,926	3,116,221	-	6,282,147	-
Tap fees and connection fees	82,011	-	-	82,011	-
Late fees	153,666	-	-	153,666	-
Tamper fees	1,005	-	-	1,005	-
Convenience fees	43,710	-	-	43,710	-
Billing contracts	5,332	-	-	5,332	-
Miscellaneous income	87,913	-	-	87,913	-
Sanitation	-	-	1,510,678	1,510,678	-
Health insurance contributions	-	-	-	-	1,516,798
Total operating revenues	<u>6,924,368</u>	<u>3,116,221</u>	<u>1,510,678</u>	<u>11,551,267</u>	<u>1,516,798</u>
OPERATING EXPENSES:					
Personal services	1,763,752	18,531	-	1,782,283	-
Supplies	413,573	7,669	-	421,242	-
Other service charges	3,166,811	2,961,263	1,313,507	7,441,581	-
Depreciation	1,808,693	199,712	-	2,008,405	-
Claims expense	-	-	-	-	1,579,987
Total operating expenses	<u>7,152,829</u>	<u>3,187,175</u>	<u>1,313,507</u>	<u>11,653,511</u>	<u>1,579,987</u>
OPERATING INCOME (LOSS)	<u>(228,461)</u>	<u>(70,954)</u>	<u>197,171</u>	<u>(102,244)</u>	<u>(63,189)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest income	76,595	584	-	77,179	504
Net unrealized loss on investment	(16,184)	-	-	(16,184)	-
Gain on disposal of assets	12,258	-	-	12,258	-
Interest and fiscal charges	(434,912)	-	-	(434,912)	-
Total nonoperating revenues (expenses)	<u>(362,243)</u>	<u>584</u>	<u>-</u>	<u>(361,659)</u>	<u>504</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>(590,704)</u>	<u>(70,370)</u>	<u>197,171</u>	<u>(463,903)</u>	<u>(62,685)</u>
Capital contributions - grants	<u>93,428</u>	<u>-</u>	<u>-</u>	<u>93,428</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(497,276)</u>	<u>(70,370)</u>	<u>197,171</u>	<u>(370,475)</u>	<u>(62,685)</u>
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	25,870,561	-	(246,972)	25,623,589	4,318,650
PRIOR PERIOD ADJUSTMENTS	4,254,667	353,528	(73,607)	4,534,588	-
FUND RECLASSIFICATION	<u>-</u>	<u>4,023,174</u>	<u>-</u>	<u>4,023,174</u>	<u>(4,023,174)</u>
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>30,125,228</u>	<u>4,376,702</u>	<u>(320,579)</u>	<u>34,181,351</u>	<u>295,476</u>
NET POSITION AT END OF YEAR	\$ <u>29,627,952</u>	<u>4,306,332</u>	<u>(123,408)</u>	<u>33,810,876</u>	<u>232,791</u>
Change in net position - total proprietary funds				\$ (370,475)	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				(6,419)	
Change in net position for business-type activities				\$ (376,894)	

The accompanying notes are an integral part of this statement.

Exhibit A-8

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Business-Type Activities Enterprise Funds				Internal Service Fund
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 7,272,259	3,297,097	1,388,712	11,958,068	-
Health insurance contributions received	-	-	-	-	1,516,798
Cash paid to suppliers and employees	(4,951,011)	(3,111,901)	(1,275,067)	(9,337,979)	(1,505,037)
Net cash provided by operating activities	<u>2,321,248</u>	<u>185,196</u>	<u>113,645</u>	<u>2,620,089</u>	<u>11,761</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from bonds and notes	588,686	-	-	588,686	-
Principal paid on bonds and notes	(1,118,697)	-	-	(1,118,697)	-
Decrease (increase) in amount due from other funds	3,426,395	703,249	(113,645)	4,015,999	-
Interest paid on bonds and notes	(437,420)	-	-	(437,420)	-
Acquisition of capital assets	(1,078,236)	(294,577)	-	(1,372,813)	-
Proceeds from sale of capital assets	14,279	-	-	14,279	-
Capital contributions	<u>54,332</u>	<u>-</u>	<u>-</u>	<u>54,332</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>1,449,339</u>	<u>408,672</u>	<u>(113,645)</u>	<u>1,744,366</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of investments - net	312,934	-	-	312,934	-
Earnings on invested proceeds	<u>65,372</u>	<u>584</u>	<u>-</u>	<u>65,956</u>	<u>504</u>
Net cash provided by investing activities	<u>378,306</u>	<u>584</u>	<u>-</u>	<u>378,890</u>	<u>504</u>
Net increase in cash and cash equivalents	4,148,893	594,452	-	4,743,345	12,265
Cash and cash equivalents at beginning of year	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>300,710</u>
Cash and cash equivalents at end of year	\$ <u>4,150,093</u>	<u>594,452</u>	<u>-</u>	<u>4,744,545</u>	<u>312,975</u>

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

	Business-Type Activities Enterprise Funds				
	East Madison				
	Public Utility Fund	County Regional Sewer Fund	Sanitation Enterprise Fund	Totals	Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (228,461)	(70,954)	197,171	(102,244)	(63,189)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,808,693	199,712	-	2,008,405	-
(Increase) decrease in:					
Accounts receivable	296,905	180,876	(121,966)	355,815	-
Inventories	2,642	-	-	2,642	-
Prepays	(12,678)	-	-	(12,678)	-
Deferred outflows related to pension	(170,487)	2,846	-	(167,641)	-
Increase (decrease) in:					
Accounts payable	65,027	(90,859)	38,440	12,608	74,950
Accrued compensated absences	947	-	-	947	-
Accrued liabilities	30,059	(867)	-	29,192	-
Customer deposits	50,986	-	-	50,986	-
Compensated absences - long-term	17,983	-	-	17,983	-
Net pension liability	443,019	(34,472)	-	408,547	-
Deferred inflows related to pension	16,613	(1,086)	-	15,527	-
Total adjustments	2,549,709	256,150	(83,526)	2,722,333	74,950
Net cash provided by operating activities	\$ 2,321,248	185,196	113,645	2,620,089	11,761
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Depreciation expense	\$ 1,808,693	199,712	-	2,008,405	-
Amortization of bond premium included in interest expense	\$ (19,984)	-	-	(19,984)	-

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ridgeland, Mississippi (the City) was incorporated in 1899 and operates under a Mayor-Board of Aldermen form of government. The City is a primary government with no separate component units. The City is organized into the following divisions: general government, public safety (police and fire), court services, public services, health and welfare, and culture and recreation.

The financial statements of the City of Ridgeland have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its proprietary funds and the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

A. Financial Reporting Entity

Component Units

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Ridgeland (the primary government) and any component units thereof. Component units must either be (1) a legally separate organization for which the elected officials of the primary government are financially accountable or (2) another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the City of Ridgeland's financial statements to be misleading or incomplete. Based upon the application of these criteria, no potential component unit will be included as a part of the City.

Related Organizations

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

Related Organization

Brief Description of Activities and Relationship to the City

Ridgeland Tourism Commission

Promotes tourism for the City of Ridgeland. Mainly represents restaurants and hotels. All members are appointed by the Board of Aldermen. The Commission reports independently.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

B. Government-Wide and Fund Financial Statements

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column.

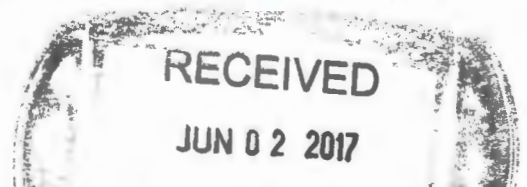
Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (police and fire), court services, public services, health and welfare, and culture and recreation. The business-type activities of the City include operation of the public utility system and sanitation.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on the annual cost allocation plan. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial



CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

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

statements. Revenues are recorded when earned or, for property tax revenues, in the period in which levied. Expenses are recorded when a liability is incurred regardless of the timing and related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. The City, in general, considers revenues available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when payment is due.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

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

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

The **City Center Fund** is a capital project fund that accounts for the financial resources to be used for the construction of the new City hall.

The **Colony Park TIF Bond Debt Fund** is a debt service fund that accounts for the accumulation of financial resources for the payment of principal and interest on the debt related to the Colony Park project.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

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

The **Lake Harbour Drive Extension Fund** is a capital project fund that accounts for the financial resources to be used for the extension of Lake Harbour Drive to the Highland Colony Parkway.

The City reports the following major proprietary funds:

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

The **East Madison County Regional Sewer Fund** accounts for the operating activities related to sewer services provided as a result of an interlocal cost-sharing agreement between the City of Ridgeland, Mississippi, the City of Madison, Mississippi and the Pearl River Valley Water Authority.

The **Sanitation Fund** accounts for the operating activities related to garbage and recycling services.

Additionally, the City reports the following fund types:

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

The **Insurance Trust Fund** is an internal service fund that accounts for the insurance transactions handled by the City for their self-insured employee health insurance program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds of the City are charges to customers for sales and services. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

D. Cash and Other Deposits and Cash Equivalents

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

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

Various restrictions on deposits are imposed by state statutes. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer.

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

E. Investments

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

F. Receivables

Receivables, net of estimated uncollectible amounts, are reported in the governmental and proprietary financial statements for goods and services, taxes, loans, grants, and interest. The estimated uncollectible amounts by fund are reported in Note 3.

G. Inventories

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

H. Prepaid Items

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until then.

J. Budgets and Budgetary Accounting

The budget is adopted annually by the Mayor and the Board of Aldermen, and subsequent amendments are made during the year on the approval of the Mayor and Board or, when allowed, upon authority of the City Clerk, as described in the following paragraphs.

The governmental fund and proprietary fund types are budgeted in accordance with the laws of the State of Mississippi which require that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered to be in accordance with generally accepted accounting principles. Governmental accounting requires that the "Budget to Actual" statement be prepared according to budgetary laws and the "Combined Statement of Revenues, Expenditures, and Fund Balance" be prepared according to the modified accrual basis (GAAP).

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

J. Budgets and Budgetary Accounting - continued:

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

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

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

K. Capital Assets

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

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

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

All proprietary funds are accounted for on an economic measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their Statement of Net Position. Their fund equity is reported in the total net position of the Statement of Revenues, Expenses and Changes in Net Position. The capital assets threshold for the proprietary funds is the same as it is for governmental funds which is described in detail below.

In accordance with authoritative guidance, governmental infrastructure has been capitalized. Capitalization thresholds (dollar value above which assets acquisitions are added to the capital asset account) and estimated useful lives of capital assets are reported in the government-wide statements and proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

CITY OF RIDGELAND, MISSISSIPPI

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

K. Capital Assets - continued:

Capital assets thresholds are as follows:

Land	\$	N/A
Infrastructure		N/A
Furniture, vehicles and equipment		500
Improvements other than buildings		25,000
Buildings		50,000
Leased assets under capital leases		*

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

Computer equipment and peripherals	3 years
Vehicles and equipment	5 years
Heavy equipment (backhoes, dozers, front-end loaders, tractors, etc.)	10 years
Furniture and fixtures	7 years
Improvements other than buildings	20 years
Buildings	40 years
Infrastructure:	
Roads	20 years
Concrete bridges	50 years
Timber bridges	30 years
Leased assets under capital leases	*

*The threshold amount will correspond with the amounts for the applicable asset classifications as listed.

L. Unearned Revenue and Deferred Inflows of Resources

Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. Resources that are obtained before time recognition criteria have been satisfied are considered as deferred inflows of resources.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

M. Compensated Absences

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

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

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

N. Encumbrances

An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. All encumbrances lapse at year-end; accordingly, no encumbrances were outstanding at September 30, 2016.

O. Net Position and Fund Balances

Net position in government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and is reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.

Restricted net position - This component of net position consists of restricted assets plus deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

O. Net Position and Fund Balances - continued:

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted net position.

In the fund financial statements, fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Fund balances are composed of two major types which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, spendable fund balance is composed of four classifications designed to disclose the hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

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

It is the goal of the City to achieve and maintain a fund balance in the general fund at fiscal year-end of not less than 45% of the expenditures in the current year's General Fund. If the fund balance at fiscal year-end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

P. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the Statement of Net Position because their use is limited by applicable debt covenants. Additionally, customer utility deposits are set aside for repayment. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Q. Capitalization of Interest

The City capitalizes interest costs for business-type activities only, net of related interest earned, from the date of the borrowing until the projects acquired with those funds are ready for their intended use.

R. Pensions

For the 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' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the 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.

S. Long-Term Liabilities

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 type Statement of Net Position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. The unamortized portion of the deferred amount on refunding is recorded as either a deferred outflow of resources or deferred inflow of resources. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Bond issuance costs are expensed during the current period. Amortization of bond premiums, discounts, and deferred amounts on refunding are included in interest expense.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

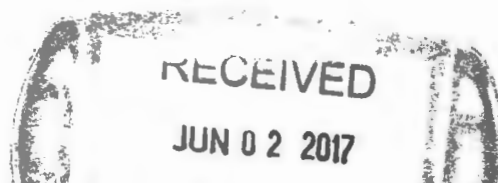
T. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of asset 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. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments are comprised of the following at September 30, 2016.

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General fund	\$ 5,428,877	6,170,324	812,117	-	12,411,318
Debt service fund	-	-	1,213,826	-	1,213,826
Colony park TIF bond debt fund	-	-	4,600,070	-	4,600,070
City center fund	-	-	3,024,527	8,464,451	11,488,978
Nonmajor governmental funds	-	-	1,676,273	-	1,676,273
Internal service fund	312,975	-	-	-	312,975
Total governmental activities	<u>5,741,852</u>	<u>6,170,324</u>	<u>11,326,813</u>	<u>8,464,451</u>	<u>31,703,440</u>
Business-type activities:					
Public utility enterprise fund	4,150,093	3,033,251	-	659,183	7,842,527
East Madison county regional sewer fund	594,452	-	-	-	594,452
Total business-type activities	<u>4,744,545</u>	<u>3,033,251</u>	<u>-</u>	<u>659,183</u>	<u>8,436,979</u>
Government-wide total	\$ <u>10,486,397</u>	<u>9,203,575</u>	<u>11,326,813</u>	<u>9,123,634</u>	<u>40,140,419</u>



CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Deposits

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the 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 covered by the Federal Deposit Insurance Corporation. Deposits at September 30, 2016 are summarized as follows:

	Reported <u>Amount</u>	Bank <u>Balance</u>
Cash	\$ <u>21,813,210</u>	<u>22,508,954</u>
Total deposits	\$ <u>21,813,210</u>	<u>22,508,954</u>

The difference of \$695,744 was principally due to outstanding checks. Of the bank balance, \$750,000 was covered by Federal Depository Insurance.

Custodial Credit Risk - Deposits - Custodial risk is defined as the risk that, in the event of a financial institutions failure, the City's deposits may not be returned to it. As of September 30, 2016, \$21,758,954 of the City's bank balance of \$22,508,954 was exposed to custodial credit risk as follows:

Guaranty Pool	\$ <u>21,758,954</u>
Total	\$ <u>21,758,954</u>

Investments

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Investments - continued:

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

Concentration of Credit Risk. Disclosures of investments held by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Ratings</u>	<u>Percentage of Investments</u>	<u>Interest Rates</u>
Panola County MS Taxable GO Bonds	\$ 269,081	NR	1.47%	5.00%
Federal Home Loan Mortgage Corporation (FHLMC)	5,465,411	AA+	29.82%	1.25%
Federal Home Loan Bank	1,000,460	AA+	5.46%	1.22%
Federal National Mortgage Association (FNMA)	1,998,580	AA+	10.90%	1.00%
Governmental National Mortgage Association (GNMA)	4,400,708	NR	24.02%	2.13%
State of Mississippi Tax Notes	2,734,779	AA	14.92%	1.37%
Mississippi Development Bank Tax Notes	817,348	AA	4.46%	4.49%
Private Export Funding Corporation (PEFCO)	273,352	AAA	1.49%	2.25%
Small Business Administration	1,266,282	NR	6.91%	2.83%
Pearl MS Urban Renewal Rev.	101,208	NR	0.55%	5.60%
Total investments	\$ 18,327,209		100.00%	

Investment Maturities in Years:

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Panola County MS Taxable GO Bonds	\$ 269,081	-	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	-	3,000,030	2,465,381	-
Federal Home Loan Bank	-	1,000,460	-	-
Federal National Mortgage Association (FNMA)	-	1,998,580	-	-
Governmental National Mortgage Association (GNMA)	-	-	-	4,400,708
State of Mississippi Tax Notes	-	2,734,779	-	-
Mississippi Development Bank Tax Notes	205,046	-	612,302	-
Private Export Funding Corporation (PEFCO)	-	273,352	-	-
Small Business Administration	-	-	756,335	509,947
Pearl MS Urban Renewal Rev.	-	-	101,208	-
Total investments	\$ 474,127	9,007,201	3,935,226	4,910,655

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of a financial institution's failure, the City will not be able to recover the value of its investments. The City does not have a formal investment policy that addresses custodial credit risk. As of September 30, 2016, \$0 of the City's investment balance was insured and was exposed to custodial credit risk as follows:

Uninsured and collateralized by pledging department not in City's name	\$ <u>18,327,209</u>
Total	\$ <u>18,327,209</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2016:

- Mortgage Backed Securities of \$505,699 are valued using quoted market prices (Level 1 inputs)
- Collateralized Mortgage Obligations of \$5,161,291 are valued using quoted market prices (Level 1 inputs)
- Municipal Obligations of \$3,922,416 are valued using quoted market prices (Level 1 inputs)
- Corporate Bonds of \$273,352 are valued using quoted market prices (Level 1 inputs)
- US Government Obligations of \$8,464,451 are valued using quoted market prices (Level 1 inputs)

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 - RECEIVABLES

Receivables at September 30, 2016, consisted of the following:

	Accounts	Grants	Taxes	Special Assessments	Due from Other Governments	Interest	Total
Governmental activities:							
General fund	\$ 5,455,472	46,180	6,109,079	-	40,000	29,953	11,680,684
Debt service fund	-	-	3,244,946	-	-	-	3,244,946
Colony park TIF bond debt fund	-	-	802,219	-	8,453,359	-	9,255,578
City center fund	-	-	-	-	-	26,795	26,795
Lake harbour drive ext. fund	-	1,683,288	-	-	-	-	1,683,288
Nonmajor governmental funds	-	212,078	148,736	71,913	410,430	-	843,157
Gross receivables	5,455,472	1,941,546	10,304,980	71,913	8,903,789	56,748	26,734,448
Less: Allowance for uncollectible accounts	(3,280,203)	-	-	-	-	-	(3,280,203)
Total governmental activities	2,175,269	1,941,546	10,304,980	71,913	8,903,789	56,748	23,454,245
Business-type activities:							
Public utility enterprise fund	992,065	124,231	-	-	-	11,223	1,127,519
East Madison county regional sewer fund	180,876	-	-	-	-	-	180,876
Sanitation fund	199,733	-	-	-	-	-	199,733
Gross receivables	1,372,674	124,231	-	-	-	11,223	1,508,128
Less: Allowance for uncollectible accounts	(439,789)	-	-	-	-	-	(439,789)
Total business-type activities	932,885	124,231	-	-	-	11,223	1,068,339
Total government-wide	\$ 3,108,154	2,065,777	10,304,980	71,913	8,903,789	67,971	24,522,584

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2016 were as follows:

	Madison County, MS
Colony Park Tax Increment Financing Bond	\$ 8,453,359
General Fund	40,000
County Line Tax Increment Financing Bond	410,430
	\$ 8,903,789

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 5 - PROPERTY TAXES

Property taxes for fiscal year 2016 were levied in September 2015 on the assessed valuation of property located in the City of Ridgeland, Mississippi as of the preceding January 1, the lien date. Revenues from property taxes are recognized in the fiscal year for which property taxes are levied. The financial statements reflect the accrual of the estimated fiscal year 2017 property taxes levied in September 2016. The City has recorded deferred inflows for the estimated fiscal year 2017 real and personal property taxes as of September 30, 2016.

The City levies property taxes annually based upon assessed valuations. Real, personal property, public utility, automobile ad valorem taxes and certain road taxes are collected by the tax collector of Madison County and are disbursed to the City accordingly. Current collection of real, public utility, and personal property taxes for the year end September 30, 2016 were approximately 99% of the total tax levy.

The tax rate levied by the City for 2016 was set at 20.03 mills. The City allocated the property tax per \$1,000 of assessed value for the year as follows:

General Fund	\$ 11.27
Debt Service Fund	<u>8.76</u>
	<u>\$ 20.03</u>

NOTE 6 - CAPITAL ASSETS

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

	(As restated)* Balance at October 1, 2015	Increases	Decreases	Transfers	Balance at September 30, 2016
Governmental activities:					
Non-depreciable capital assets:					
Land	\$ 113,234,787	-	-	4,126,695	117,361,482
Construction in progress	28,152,743	3,652,325	-	(17,924,877)	13,880,191
Total non-depreciable capital assets	<u>141,387,530</u>	<u>3,652,325</u>	<u>-</u>	<u>(13,798,182)</u>	<u>131,241,673</u>
Depreciable capital assets:					
Buildings	15,633,208	49,800	-	-	15,683,008
Improvements other than buildings	10,244,056	77,880	-	-	10,321,936
Infrastructure	137,415,431	627,301	-	13,709,344	151,752,076
Vehicles	7,386,112	332,423	(175,992)	-	7,542,543
Furniture and equipment	4,360,675	255,401	(157,782)	88,838	4,547,132
Leased property under capital leases	114,659	55,109	-	-	179,768
Total depreciable capital assets	<u>\$ 175,154,141</u>	<u>1,407,914</u>	<u>(333,774)</u>	<u>13,798,182</u>	<u>190,026,463</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 6 - CAPITAL ASSETS - CONTINUED:

	(As restated) Balance at October 1, 2015	Increases	Decreases	Transfers	Balance at September 30, 2016
Less accumulated depreciation for:					
Buildings	\$ (5,496,934)	(311,890)	-	-	(5,808,824)
Improvements other than buildings	(4,222,155)	(380,920)	-	-	(4,603,075)
Infrastructure	(72,604,110)	(2,988,831)	-	-	(75,592,941)
Vehicles	(5,123,418)	(481,877)	151,254	-	(5,454,041)
Furniture and equipment	(3,196,106)	(280,992)	146,319	-	(3,330,779)
Leased property under capital leases	(39,557)	(21,063)	-	-	(60,620)
Total accumulated depreciation	(90,682,280)	(4,465,573)	297,573	-	(94,850,280)
Total depreciable capital assets, net	84,471,861	(3,057,659)	(36,201)	13,798,182	95,176,183
Total governmental activities capital assets, net	\$ 225,859,391	594,666	(36,201)	-	226,417,856

*See Note 15 for effect of restatement.

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 75,372
Public safety	728,988
Public services	3,263,088
Culture and recreation	398,125
Total depreciation expense	\$ 4,465,573

	(As restated)* Balance at October 1, 2015	Increases	Decreases	Transfers	Balance at September 30, 2016
Business-type activities:					
Non-depreciable capital assets:					
Land	\$ 3,325,437	-	-	-	3,325,437
Construction in progress	142,960	720,338	-	(133,800)	729,498
Total non-depreciable capital assets	3,468,397	720,338	-	(133,800)	4,054,935
Depreciable capital assets:					
Buildings	782,034	-	-	-	782,034
Utility systems	54,615,773	507,307	-	133,800	55,256,880
Vehicles	1,112,076	35,754	(14,709)	-	1,133,121
Machinery and equipment	1,162,159	109,414	(33,940)	-	1,237,633
Total depreciable capital assets	57,672,042	652,475	(48,649)	133,800	58,409,668

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 6 - CAPITAL ASSETS - CONTINUED:

	(As restated) Balance at October 1, 2015	Increases	Decreases	Transfers	Balance at September 30, 2016
Less accumulated depreciation for:					
Buildings	\$ (532,896)	(32,208)	-	-	(565,104)
Utility systems	(16,662,312)	(1,903,696)	-	-	(18,566,008)
Vehicles	(1,011,729)	(21,546)	13,238	-	(1,020,037)
Machinery and equipment	(993,497)	(50,955)	31,031	-	(1,013,421)
Total accumulated depreciation	<u>(19,200,434)</u>	<u>(2,008,405)</u>	<u>44,269</u>	<u>-</u>	<u>(21,164,570)</u>
Total depreciable capital assets, net	<u>38,471,608</u>	<u>(1,355,930)</u>	<u>(4,380)</u>	<u>133,800</u>	<u>37,245,098</u>
Total business-type activities capital assets, net	\$ <u>41,940,005</u>	<u>(635,592)</u>	<u>(4,380)</u>	<u>-</u>	<u>41,300,033</u>

*See Note 15 for effect of restatement.

Depreciation expense for business-type activities is charged to functions as follows:

Public utility	\$ 1,808,693
East Madison county regional sewer fund	<u>199,712</u>
Total depreciation expense - business-type activities	\$ <u>2,008,405</u>

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended September 30, 2016:

	Beginning Balance October 1, 2015	Additions/ Proceeds	Reductions/ Payments	Ending Balance September 30, 2016	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 18,715,668	11,900,000	1,845,000	28,770,668	1,980,000
General obligation premium	279,789	173,695	49,777	403,707	48,445
Limited obligation bonds	31,079,089	1,845,000	3,489,089	29,435,000	1,745,000
Limited obligation discount	(142,444)	-	(9,141)	(133,303)	(9,141)
Limited obligation premium	65,000	-	13,000	52,000	13,000
Notes	5,263,889	166,850	286,935	5,143,804	352,794
Capital lease obligations	70,387	65,109	19,551	115,945	41,329
Compensated absences	<u>677,974</u>	<u>172,926</u>	<u>-</u>	<u>850,900</u>	<u>42,545</u>
Government activities total	\$ <u>56,009,352</u>	<u>14,323,580</u>	<u>5,694,211</u>	<u>64,638,721</u>	<u>4,213,972</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

	Beginning Balance October 1, 2015	Additions/ Proceeds	Reductions/ Payments	Ending Balance September 30, 2016	Due Within One Year
Business-type activities:					
General obligation bonds	\$ 8,979,333	-	690,000	8,289,333	715,000
General obligation premium	188,625	-	22,164	166,461	22,163
Notes	4,518,351	588,686	426,517	4,680,520	329,008
Compensated absences	65,262	18,930	-	84,192	4,210
Business-type activities total	13,751,571	607,616	1,138,681	13,220,506	1,070,381
Government-wide total	\$ 69,760,923	14,931,196	6,832,892	77,859,227	5,284,353

Debt service requirements at September 30, 2016 were as follows:

Governmental Activities								
Fiscal Year Ending September 30,	General Obligation Bonds		Limited Obligation Bonds		Notes and Capital Leases Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,028,444	1,087,407	1,748,860	1,477,800	394,123	77,445	4,171,427	2,642,652
2018	2,038,475	877,444	1,823,859	1,417,695	529,376	145,148	4,391,710	2,440,287
2019	2,090,090	823,917	1,898,859	1,335,888	533,379	130,339	4,522,328	2,290,144
2020	1,648,991	770,520	1,988,859	1,245,133	515,220	115,170	4,153,070	2,130,823
2021	1,697,117	725,234	1,665,859	1,151,500	530,320	99,723	3,893,296	1,976,457
2022-2026	9,540,234	2,693,771	9,649,296	4,397,381	2,757,331	238,475	21,946,861	7,329,627
2027-2031	5,389,114	1,159,352	10,578,105	1,503,584	-	-	15,967,219	2,662,936
2032-2036	4,741,910	360,822	-	-	-	-	4,741,910	360,822
	<u>\$ 29,174,375</u>	<u>8,498,467</u>	<u>29,353,697</u>	<u>12,528,981</u>	<u>5,259,749</u>	<u>806,300</u>	<u>63,787,821</u>	<u>21,833,748</u>
Business-Type Activities								
Fiscal Year Ending September 30,	General Obligation Bonds		Note Payable		Total			
	Principal	Interest	Principal	Interest	Principal	Interest		
2017	\$ 737,163	323,598	329,008	81,196	1,066,171	404,794		
2018	745,952	298,246	336,952	96,160	1,082,904	394,406		
2019	772,576	276,223	353,565	79,543	1,126,141	355,766		
2020	799,201	253,401	357,664	75,446	1,156,865	328,847		
2021	819,256	229,781	369,028	64,062	1,188,284	293,843		
2022-2026	3,911,566	652,248	1,853,767	198,224	5,765,333	850,472		
2027-2031	670,080	32,892	1,078,707	42,757	1,748,787	75,649		
2032-2036	-	-	1,829	3	1,829	3		
	<u>\$ 8,455,794</u>	<u>2,066,389</u>	<u>4,680,520</u>	<u>637,391</u>	<u>13,136,314</u>	<u>2,703,780</u>		

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Bonds and notes payable at September 30, 2016 are comprised of the following individual issues:

General Obligation Bonds:

\$410,000 Public Improvement Special Assessment Bonds Series 2005 due in annual installments of \$25,000 to \$40,000, payable on 3-1 of each year through 3-1-2017; and interest at 4.15% payable on 3-1 and 9-1 of each year.		\$ 40,000
\$10,165,000 Public Improvement Bonds Series 2007 due in annual installments of \$460,000 to \$480,000, payable on 8-1 of each year through 8-1-2017, net of unamortized premium of \$5,868 at September 30, 2016; and interest at 4.25% to 5.25%, payable on 2-1 and 8-1 of each year.		485,868
\$3,230,000 Refunding Bonds Series 2012 due in annual installments of \$430,000 to \$495,000 on 5-1 of each year through 5-1-2019, net of unamortized premium of \$41,949 at September 30, 2016; and interest at 1.00% to 2.00%, payable on 5-1 and 11-1 of each year.		1,496,949
\$11,530,000 Refunding Series 2014 due in annual installments of \$215,000 to \$1,385,000, payable on 8-1 of each year through 8-1-27, net of unamortized premium of \$283,459 at September 30, 2016; and interest at 2.00% to 5.00%, payable on 2-1 and 8-1 of each year.		
Debt Service Fund	\$ 6,089,486	
Public Utility Enterprise Fund	<u>5,508,974</u>	11,598,460
\$5,825,000 General Obligation Bonds Series 2011 due in annual installments of \$290,000 to \$505,000, payable on 5-1 of each year through 5-1-26, net of unamortized premium of \$39,890 at September 30, 2016; and interest at 3.00% to 4.00%, payable on 5-1 and 11-1 of each year.		4,294,890
\$5,100,000 General Obligation Bonds Series 2014 due in annual installments of \$195,000 to \$340,000, payable on 6-1 of each year through 6-1-34; and interest at 3.00% to 4.00%, payable on 6-1 and 12-1 of each year.		\$ 4,700,000

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

General Obligation Bonds - continued:

\$11,900,000 General Obligation Bonds Series 2015 due in annual installments of \$430,000 to \$795,000, payable on 12-1 of each year through 12-1-35, net of unamortized premium of \$167,181 at September 30, 2016; and interest at 2.25% to 3.125%, payable on 6-1 and 12-1 of each year.

\$ 12,067,182

\$9,200,000 General Obligation Bonds Series 2007 due in annual installments of \$415,000 to \$435,000, payable on 8-1 of each year through 8-1-17, net of unamortized premium of \$5,311 at September 30, 2016; and interest at 4.25% to 5.25%, payable on 2-1 and 8-1 of each year. This bond is to be paid by the City's Public Utility Enterprise Fund.

440,311

\$3,805,000 Refunding Bonds Series 2010 due in annual installments of \$255,000 to \$340,000, payable at 11-1 of each year through 11-1-23, net of unamortized premium of \$26,511 at September 30, 2016; and interest at 2.00% to 3.10%, payable on 5-1 and 11-1 of each year. This bond is to be paid by the City's Public Utility Enterprise Fund.

2,506,509

\$ 37,630,169

Limited Obligation Bonds:

\$1,845,000 Tax Increment Financing Bonds Series 2015 due in annual installments of \$345,000 to \$394,000, payable on 9-1-16 through 9-1-20, net of unamortized premium of \$52,000 at September 30, 2016; and interest at 3.35%, payable on 3-1 and 9-1 of each year beginning with 9-1-16 and ending with 9-1-20. The bonds are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with an interlocal cooperation agreement between the City and Madison County, Mississippi, the County has pledged its ad valorem tax collections on the benefiting property annually.

\$ 1,552,000



CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Limited Obligation Bonds - continued:

\$24,625,000 Tax Increment Financing Bonds Series 2009 due in annual installments of \$845,000 to \$1,850,000, payable 10-1-10 through 10-1-29; and interest varying annually from 3.000% to 5.375%, payable on 4-1 and 10-1 of each year beginning with 4-1-10 and ending with 10-1-29. The bonds are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with a tax pledge agreement between the City and Madison County, Mississippi, the County has pledged its ad valorem tax collections on benefiting property up to an annually calculated percentage, under the terms of the interlocal cooperation agreement.

\$ 19,250,000

\$10,375,000 Tax Increment Financing Bonds Series 2011 due in annual installments of \$315,000 to \$845,000, payable 4-1-12 through 4-1-2031, net of unamortized discount of \$133,303 at September 30, 2016; and interest varying annually from 5.200% to 6.375%, payable on 4-1 and 10-1 of each year beginning with 10-1-11 and ending with 4-1-31. The bonds are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with an interlocal cooperation agreement between the City and Madison County, Mississippi, the County has pledged its ad valorem tax collections on benefiting property up to an annually calculated percentage, under the terms of the interlocal cooperation agreement.

8,551,697

\$ 29,353,697

Notes:

\$5,072,000 note payable to the Mississippi Department of Transportation due in annual installments of \$114,200 to \$403,900, payable 1-1-08 through 1-1-26; and interest at 5.0%, payable on 1-1 and 7-1 of each year beginning with 1-1-08 and ending with 1-1-26. In June 2013, the City and MDOT entered into an agreement to defer payments on this debt until the completion of the purchase or Rights-of-Way by the City for the Colony Park Boulevard project, but no later than January 1, 2017. Deferred payments as of September 30, 2016 have been capitalized as part of the note. The amounts deferred will be spread evenly over the remaining life of the note payments beginning on January 1, 2017.

\$ 4,856,867

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM OBLIGATIONS - CONTINUED:

Notes - continued:

\$2,295,482 note payable to Mississippi Development Authority related to the Harbor Walk Economic Development Highway Project due in annual installments of \$286,935, payable 3-1-10 through 3-1-17; and interest at 0.0%.	\$ 286,937
\$2,135,283 note payable to the Mississippi Department of Environmental Quality. The note is payable in monthly installments for 236 months starting on 6-1-97 and maturing 1-1-17 with interest at 4.5%. This note is to be paid by the City's Public Utility Enterprise Fund.	54,093
\$1,899,275 note payable to the Mississippi Department of Environmental Quality. The note is payable in monthly installments for 237 months starting on 7-1-11 and maturing 3-1-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	1,456,570
\$1,771,698 note payable to the Mississippi Department of Health for drinking water improvements. The note is payable in monthly installments for 235 months starting on 12-1-10 and maturing 6-1-30 with interest at 1.95%. This note is to be paid by the City's Public Utility Enterprise Fund.	1,312,662
\$1,080,192 note payable to the Mississippi Department of Health for drinking water improvements with interest at 1.95%. The amount due as of the end of fiscal year was limited to the amount drawn. The amount due will increase as the City draws funds from the amount available to begin construction of the water facility. The note will be payable in monthly installments for 237 months starting after the final draw. This note is to be paid by the City's Public Utility Enterprise Fund.	625,004
\$282,322 note payable to Madison County Wastewater Authority for Catlett Road improvements. The note is payable in monthly installments for 237 months starting on 10-1-03 through 6-1-23 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	\$ 107,630

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Notes - continued:

\$404,830 note payable to Madison County Wastewater Authority for Parkway Forcemain improvements. The note is payable in monthly installments for 237 months starting on 10-10-10 through 6-10-30 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	\$ 296,265
\$800,000 note payable to Madison County Wastewater Authority for improvements. The note is payable in monthly installments for 180 months starting on 12-1-10 through 11-1-25 with interest at 3.73%. This note is to be paid by the City's Public Utility Enterprise Fund.	537,020
\$363,006 note payable to Madison County Wastewater Authority for Bozeman Road pump station improvements. The note is payable in monthly installments for 234 months starting on 5-5-12 through 10-5-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	<u>291,276</u>
	\$ <u>9,824,324</u>

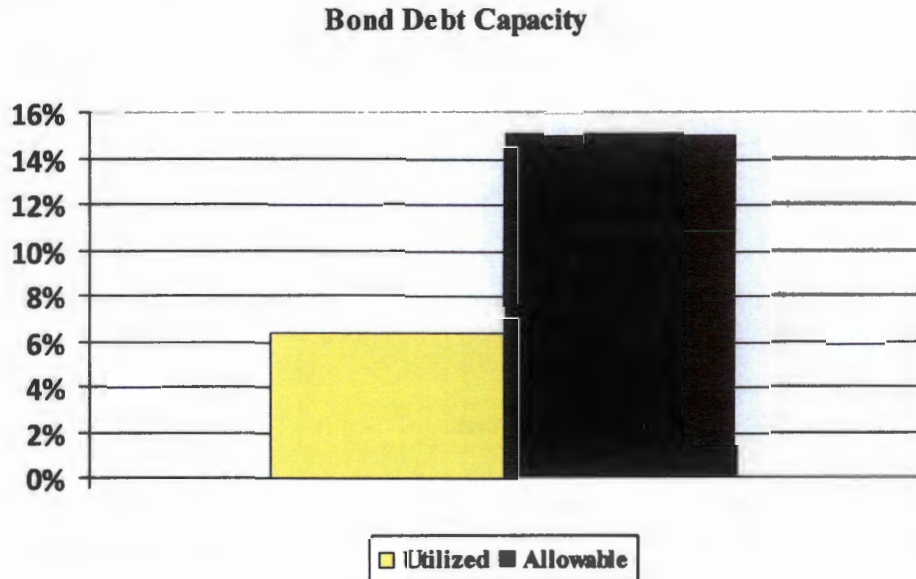
The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding bonded debt during a year can be no greater than 15% of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, unless certain conditions, such as set forth in state statutes under Mississippi Code Ann., Section 21-33-303, have been met which increases the bonded debt to no greater than 20% of the assessed value. As of September 30, 2016, the amount of outstanding bonded debt was equal to 6.44% of property assessments of \$452,595,284 computed as follows:

Bonded debt:	
General obligation bonds	\$ 29,174,375
Enterprise funds	8,455,794
Less excludable debt:	
Special assessment	(40,000)
Enterprise funds	<u>(8,455,794)</u>
Total debt subject to limitation	\$ <u>29,134,375</u>
Assessed valuation	\$ 452,595,284
Percentage	6.44%

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

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



Capital Lease Obligations

The City has entered into two lease agreements for financing the acquisition of a front-end loader and three police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments as of the inception date. See Note 6 of the financial statements for capitalization and depreciation related to assets under capital lease. Obligations of the City's governmental activities under capital leases at September 30, 2016 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2017	\$ 41,329	2,080	43,409
2018	42,157	1,253	43,410
2019	32,459	457	32,916
Total lease payments	\$ <u>115,945</u>	<u>3,790</u>	<u>119,735</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Operating Lease Obligations

The City has entered into several equipment operating lease agreements. Future payments are due as follows:

	<u>Amount</u>
Year ending September 30,	
2017	\$ 166,026
2018	108,869
2019	100,026
2020	45,323
2021	<u>1,815</u>
Total lease payments	\$ <u>422,059</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Advance Refunding

During fiscal year 2015, The City issued \$11,530,000 General Obligation Refunding Bonds, Series 2014. Of the proceeds, \$6,230,000 has been deposited into an irrevocable trust to provide for future debt service payments on certain maturities of the \$10,165,000 Public Improvements Bonds Series 2007, callable August 1, 2017. Also, \$5,635,000 has been deposited into an irrevocable trust to provide for future debt service payments on certain maturities of the \$9,200,000 Public Improvements Bonds Series 2007, callable August 1, 2017. As a result, the refunded portion of both Public Improvements Bonds is considered defeased and the escrowed assets and liabilities for the bonds have been removed from the financial statements.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

The following tables summarize interfund advances from/to, and transfers in/out at September 30, 2016:

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES - CONTINUED:

Advances

Advances to/from other funds at September 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sanitation Fund	\$ 133,327
	Other Nonmajor Funds	1,220,038
	Colony Park TIF	157,766
	Lake Harbour Extension Fund	759,991
	City Center	181,066
	Public Utility Fund	107,044
Public Utility Fund	Other Nonmajor Funds	<u>63,175</u>
Total		\$ <u>2,622,407</u>

The above interfund balances resulted from the time lag between the dates that reimbursable expenses occur and payments between the funds are made. The balances are expected to be paid within one year.

Transfers

Operating transfer in/out from other funds at September 30, 2016 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Other Nonmajor Funds	General Fund	\$ 398,320
City Center	Other Nonmajor	<u>10,738,494</u>
Total		\$ <u>11,136,814</u>

Transfers are used to: (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) move receipts identified for debt service from the funds collecting the receipts to the Debt Service Funds to make debt service payments when they become due.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 - 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. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005, by calling (601) 359-3589 or 1-800-444-PERS, or by visiting online at www.pers.ms.gov.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, 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. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information about the Pension Plan - continued:

retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. 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.

For the plan's measurement date of June 30, 2016, the City's total payroll for all employees was \$11,432,881. Total covered payroll was \$11,255,168 for the plan year ended June 30, 2016. Covered payroll refers to all compensation paid by the City to active employees covered by the 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 rate for the year ended September 30, 2016 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ended September 30, 2016, 2015 and 2014 were \$1,828,010, \$1,793,444, and \$1,747,698, respectively. The contributions for each year met the required contributions.

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

At September 30, 2016, the City reported a liability of \$31,420,132 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 contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City's proportion was 0.1759 percent, which was a decrease of .0049 percent from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the City recognized pension expense of \$3,565,454. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 803,756	-
Net difference between projected and actual earnings on pension plan investments	3,709,118	-
Change of assumptions	1,522,256	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,067,095
City contributions subsequent to the measurement date	<u>471,879</u>	<u>-</u>
Total	\$ <u>6,507,009</u>	<u>1,067,095</u>

The \$471,879 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 1,783,785
2018	1,561,795
2019	1,001,744
2020	<u>620,711</u>
Total	\$ <u>4,968,035</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

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 - 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, September 30, 2016 valuation were based on the results of an actuarial experience study for the four year period ending June 30, 2014. As a result of the experience report which is dated May 4, 2015, the Board of Trustees adopted changes in assumptions for PERS since the last Measurement Date.

In 2015 and later, 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, which was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Broad	\$ 34 %	5.20 %
International Equity	19 %	5.00 %
Emerging Markets Equity	8 %	5.45 %
Fixed Income	20 %	0.25 %
Real Assets	10 %	4.00 %
Private Equity	8 %	6.15 %
Cash	1 %	(0.50) %
Total	\$ 100 %	

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the City's proportionate share of the net pension liability of PERS based on the June 30, 2016, actuarial valuations, 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>City's Proportionate Share of Net Pension Liability</u>
1.00% decrease (6.75%)	\$ 40,287,654
Current discount rate (7.75%)	31,420,132
1.00% increase (8.75%)	24,062,963

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Public Employees' Retirement System of Mississippi's financial report.

NOTE 10 - CONTINGENT LIABILITIES

Grant Audits

The City receives Federal and state grants for specific purposes that are subject to review and audit by Federal and state agencies. Such audits could result in a request for reimbursements for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant.

Litigation

The City is party to numerous legal proceedings which occur in the normal course of governmental operations. Several suits have been filed against the City as a result of the City amending its Zoning Ordinance in 2014 and the impact of the amendment on certain apartment complexes located in the City. It is not possible at the present time to estimate the outcome or liability, if any, of the City in respect to the various proceedings, however, in the opinion of management all claims will be disposed of without material adverse effect on the net position of the City.

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. The City participates in State insurance funds for risks of loss for all liability and workers' compensation insurance. Settled claims resulting from these insured risks have not exceeded State insurance coverage in any of the past three fiscal years.

The City has joined with other municipalities to pool its risk as a member of the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The City pays premiums to the pool for its worker's compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$500,000 for employees for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 11 - RISK MANAGEMENT - CONTINUED:

However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures. A report can be obtained by accessing the following website: <http://www.mwcc.state.ms.us/> or by writing to the Mississippi Workers' Compensation Commission at P.O. Box 5300, Jackson, Mississippi 39296-5300.

NOTE 12 - HEALTH INSURANCE

The City has established a Risk Pool Agreement authorized by Section 25-15-101 of the Mississippi Code to be self-insured for its employee group health plan. The City contributes \$387 per month per employee to the plan to cover each employee and each employee, at their option, authorizes payroll withholdings to pay contributions for dependent coverage. The City's monthly premiums to cover all employees have been expensed in the General Fund, Public Utility Enterprise Fund, and the East Madison County Regional Sewer Fund in the same manner as the employees' salary.

The City has contracted with a third party administrator to act on behalf of the City in the administration of the plan. The administrator is to perform enrollment and underwriting functions and to audit, process and pay all medical expense claims of the plan. Provisions for administrative fees and stop loss premiums are included in the contractual provisions. The administrative contract can be terminated upon thirty days of written notice.

The City of Ridgeland became self-insured in February 2003. Blue Cross Blue Shield of Mississippi is the third party administrator and their mailing address is P.O. Box 1043, Jackson, Mississippi 39215. Under this plan, the employee benefit plan payments to be covered are medical and prescription drug card. The aggregate percentage reimbursable (excess of aggregate deductible) is 100%. For the purpose of the aggregate excess insurance, the maximum allowable covered expense per person is \$65,000 for the contract period. No active service is required and retirees are not covered. In addition, the policy will reimburse the City if total losses for the policy year exceed \$1,531,719, the annual aggregate attachment point (AAAP). The AAAP is an amount equal to the product of an aggregate monthly factor times the number of covered individuals.

For the fiscal year ended September 30, 2016, the City was reimbursed \$-0- for losses in excess of \$65,000 per individual. The AAAP was not exceeded for the fiscal year. The liability reported at September 30, 2016 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 12 - HEALTH INSURANCE - CONTINUED:

estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on numerous complex factors, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in this claims liability during fiscal years 2014 through 2016 were as follows:

		<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
2013-2014	\$	-	1,219,400	1,219,400	-
2014-2015		-	1,042,844	1,037,609	5,235
2015-2016	\$	5,235	1,225,423	1,150,474	80,184

NOTE 13 - COMMITMENTS

At September 30, 2016, the City has entered into contracts to acquire and construct municipal facilities and infrastructure as follows:

<u>Project</u>	<u>Contract Type</u>	<u>Total Contract Amount</u>	<u>Cost Incurred as of September 30, 2016</u>	<u>Commitment Outstanding as of September 30, 2016</u>
Proposed City Center	Engineering	\$ 818,040	494,225	323,815
Proposed City Center	Construction	455,584	382,685	72,899
Proposed City Center	Geology	6,400	-	6,400
Lake Harbour Drive Extension	Engineering	1,311,604	1,269,212	42,392
Samuels Lane Water Well	Construction	1,244,807	717,628	527,179
Old Agency Parkway Traffic Light	Engineering	52,000	19,869	32,131
Total				\$ <u>1,004,816</u>



CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 14 - DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

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

Debt Service Funds - consolidated with other nonmajor funds:	
S.A. School Creek Interceptor Fund	\$ 63,176
Capital Project Funds - consolidated with other nonmajor funds:	
Avery Blvd. Special Assessment Fund	387,369
Lake Harbour Reconstruction Fund	796,924
Harbor Crossing TIF Fund	1,030
Enterprise Fund:	
Sanitation	<u>123,408</u>
 Total	 \$ <u>1,371,907</u>

The deficits in capital project funds and debt service funds will be remedied as transfers from general fund are budgeted in upcoming fiscal years.

NOTE 15 - PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATION

The City has restated prior year net position and fund balance to reflect the correction of errors in previously reported amounts.

The following summarizes the prior period adjustments and reclassification discussed above:

	<u>Amount</u>
<u>Government-Wide Governmental Activities - Net Position</u>	
Balance, September 30, 2015, as previously reported	\$ 187,443,653
Prior period adjustments and reclassification for:	
Accounts receivable - court fines and fees	778,073
Taxes receivable	2,223,338
Special assessment receivable	16,397
Prepaid expenses	35,193
Tax increment receivable	(19,756,768)
Capital assets, net of accumulated depreciation	13,722,517
Accrued salaries	(260,653)
Retainage payable	(59,620)

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 15 - PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATION - CONTINUED:

Interest payable	\$ (759,205)
Deferred revenue - special assessment	344,366
Bonds payable	77,444
Loans payable	(491,717)
Accounts payable	(157,289)
Interest expense	267,153
Reclassification of East Madison County Regional Sewer Fund to an Enterprise Fund	<u>(4,023,174)</u>
Balance, September 30, 2015 as restated	\$ <u>179,399,708</u>
Net decrease in governmental activities net position	\$ <u>(8,043,945)</u>
<u>Government-Wide Business-Type Activities - Net Position</u>	
Balance, September 30, 2015, as previously reported	
Prior period adjustments and reclassification for:	\$ 25,623,589
Infrastructure	552,892
Capital assets, net of accumulated depreciation	4,055,303
Allowance for Doubtful Accounts	(73,607)
Reclassification of East Madison County Regional Sewer Fund to an Enterprise Fund	<u>4,023,174</u>
Balance, September 30, 2015, as restated	\$ <u>34,181,351</u>
Net increase in business-type activities net position	\$ <u>8,557,762</u>
<u>General Fund - Fund Balance</u>	
Balance, September 30, 2015, as previously reported	\$ 17,034,417
Prior period adjustments for:	
Accounts receivable - court fines and fees	778,073
Unavailable revenue - court fines and fees	(1,103,993)
Sales tax receivable	2,132,649
Ad valorem tax receivable	54,492
Accrued salaries	(260,653)
Prepaid expenses	35,193

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 15 - PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATION - CONTINUED:

Due from other funds - sales tax receipts	\$	(1,396,611)
Accounts payable		<u>(157,289)</u>
Balance, September 30, 2015, as restated	\$	<u>17,116,278</u>
Net increase in general fund fund balance	\$	<u>81,861</u>
<u>Debt Service Fund - Fund Balance</u>		
Balance, September 30, 2015, as previously reported	\$	462,618
Prior period adjustment for:		
Ad valorem tax receivable		<u>36,197</u>
Balance, September 30, 2015, as restated	\$	<u>498,815</u>
Net increase in debt service fund fund balance	\$	<u>36,197</u>
<u>Colony Park TIF Bond Debt Fund - Fund Balance</u>		
Balance, September 30, 2015, as previously reported	\$	-
Prior period adjustments for:		
Tax increment receivable		(26,775,143)
Tax increment financing bond payable		29,265,000
Sales tax receivable		1,055,023
Interest expense		<u>267,153</u>
Balance, September 30, 2015, as restated	\$	<u>3,812,033</u>
Net increase in colony park TIF bond debt fund fund balance	\$	<u>3,812,033</u>
<u>Other Governmental Funds - Fund Balance</u>		
Balance, September 30, 2015, as previously reported	\$	(875,394)
Prior period adjustments for:		
Sales tax receivable		341,588
Special assessment receivable		16,397
Tax increment receivable		(2,334,182)
Retainage payable		(59,620)
Tax increment financing bonds payable		1,814,089
Deferred revenue - special assessment		<u>344,366</u>
Balance, September 30, 2015, as restated	\$	<u>(752,756)</u>
Net increase in other governmental funds fund balance	\$	<u>122,638</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 15 - PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATION - CONTINUED:

Public Utility Fund - Net Position

Balance, September 30, 2015, as previously reported	\$ 25,870,561
Prior period adjustment for:	
Capital assets, net of accumulated depreciation	<u>4,254,667</u>
Balance, September 30, 2015, as restated	\$ <u>30,125,228</u>
Net increase in public utility fund net position	\$ <u>4,254,667</u>

East Madison County Regional Sewer Fund - Net Position

Balance, September 30, 2015, as previously reported	\$ -
Prior period adjustment and reclassification for:	
Infrastructure	353,528
Reclassification of East Madison County Regional Sewer Fund to an Enterprise Fund	<u>4,023,174</u>
Balance, September 30, 2015, as restated	\$ <u>4,376,702</u>
Net increase in East Madison County Regional Sewer Fund net position	\$ <u>4,376,702</u>

Sanitation Fund - Net Position

Balance, September 30, 2015, as previously reported	\$ (246,972)
Prior period adjustment for:	
Allowance for doubtful accounts	<u>(73,607)</u>
Balance, September 30, 2015, as restated	\$ <u>(320,579)</u>
Net decrease in sanitation fund net position	\$ <u>(73,607)</u>

Internal Service Fund - Net Position

Balance, September 30, 2015, as previously reported	\$ 4,318,650
Reclassification for:	
Reclassification of East Madison County Regional Sewer Fund to an Enterprise Fund	<u>(4,023,174)</u>
Balance, September 30, 2015, as restated	\$ <u>295,476</u>
Net decrease in internal service fund net position	\$ <u>(4,023,174)</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. GASB 72 will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. GASB 73 will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 and are effective for financial statements for fiscal years beginning after June 15, 2016. The requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 improves financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Adopted Accounting Pronouncements - continued:

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued in December 2015 to enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015.

Recently Issued Accounting Pronouncements

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, issued in August 2015, improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Issued Accounting Pronouncements - continued:

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued in December 2015. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This accounting pronouncement is not expected to impact the City's financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*, issued January 2016, enhances the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreement*, issued March 2016, enhances the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement also enhances the decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying the resources that are available for the government to carry out its mission. The requirements of this Statement are effective for periods beginning after December 15, 2016. This accounting pronouncement is not expected to impact the City's financial statements.

GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*, issued March 2016, improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. The Board proposed that this Statement be effective for reporting periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 17 - SUBSEQUENT EVENTS

The City had no subsequent events of a material nature requiring adjustment to or disclosure in the financial statements through April 26, 2017, the date the financial statements were approved by the City's management and thereby available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

CITY OF RIDGELAND, MISSISSIPPI

**GENERAL FUND
SEPTEMBER 30, 2016**

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

The City maintains one general fund.

CITY OF RIDGELAND, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales taxes	\$ 11,308,020	11,308,020	12,049,063	741,043
Ad valorem taxes	5,608,989	5,608,989	5,314,175	(294,814)
Franchise fees	1,387,544	1,387,544	1,245,746	(141,798)
Licenses and permits	396,168	396,168	392,421	(3,747)
Intergovernmental	801,909	833,613	943,111	109,498
Charges for services	841,935	841,935	796,744	(45,191)
Fines and forfeits	1,841,722	1,848,502	1,902,259	53,757
Contributions	-	26,724	37,322	10,598
Interest earned	183,114	183,114	133,632	(49,482)
Net unrealized loss on investments	-	-	(27,959)	(27,959)
Miscellaneous	43,226	65,540	111,492	45,952
Total revenues	<u>22,412,627</u>	<u>22,500,149</u>	<u>22,898,006</u>	<u>397,857</u>
EXPENDITURES:				
General government:				
Personal services	2,629,068	2,631,868	2,583,177	48,691
Supplies	82,868	74,963	51,473	23,490
Other services and charges	1,824,231	2,832,081	2,552,262	279,819
Capital outlay	34,000	83,821	57,529	26,292
Total general government	<u>4,570,167</u>	<u>5,622,733</u>	<u>5,244,441</u>	<u>378,292</u>
Public safety:				
Personal services	9,315,066	9,335,066	8,803,697	531,369
Supplies	483,700	492,250	336,978	155,272
Other services and charges	1,094,211	1,134,940	1,024,450	110,490
Capital outlay	461,153	607,169	525,890	81,279
Total public safety	<u>11,354,130</u>	<u>11,569,425</u>	<u>10,691,015</u>	<u>878,410</u>
Public service:				
Personal services	1,773,531	1,773,531	1,711,517	62,014
Supplies	486,425	616,771	547,194	69,577
Other services and charges	2,311,014	2,267,869	2,071,686	196,183
Capital outlay	205,551	561,022	441,462	119,560
Total public works	<u>4,776,521</u>	<u>5,219,193</u>	<u>4,771,859</u>	<u>447,334</u>
Health and Welfare:				
Supplies	55,000	55,000	54,177	823
Total health and welfare	<u>55,000</u>	<u>55,000</u>	<u>54,177</u>	<u>823</u>

CITY OF RIDGELAND, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES - CONTINUED:				
Culture and recreation:				
Personal services	\$ 1,018,816	1,018,816	1,006,546	12,270
Supplies	252,000	211,200	179,779	31,421
Other services and charges	956,126	996,926	972,586	24,340
Capital outlay	150,000	150,000	144,177	5,823
Total culture and recreation	<u>2,376,942</u>	<u>2,376,942</u>	<u>2,303,088</u>	<u>73,854</u>
Debt service:				
Principal	-	-	19,551	(19,551)
Interest and other fiscal charges	-	-	1,377	(1,377)
Total debt service	-	-	20,928	(20,928)
Total expenditures	\$ <u>23,132,760</u>	<u>24,843,293</u>	<u>23,085,508</u>	<u>1,757,785</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(720,133)</u>	<u>(2,343,144)</u>	<u>(187,502)</u>	<u>2,155,642</u>
Other financing sources (uses):				
Operating transfer out	(388,865)	(398,320)	(398,320)	-
Proceeds from capital lease	-	-	65,109	65,109
Sale of capital assets	27,950	40,513	37,410	(3,103)
Total other financing sources (uses)	<u>(360,915)</u>	<u>(357,807)</u>	<u>(295,801)</u>	<u>62,006</u>
Net change in fund balance	\$ <u>(1,081,048)</u>	<u>(2,700,951)</u>	<u>(483,303)</u>	<u>2,217,648</u>
Fund balance at beginning of year			14,511,133	
Fund balance at end of year			\$ <u>14,027,830</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 14,027,830	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			2,482,497	
Net Prepaids			111,492	
Net accrued expenditures and related liabilities paid after 30 days			<u>(27,307)</u>	
Fund balance at end of year - GAAP basis			\$ <u>16,594,512</u>	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF RIDGELAND, MISSISSIPPI

**REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportionate share of the collective net pension liability	\$ 31,420,132	27,944,096	21,816,659
City's proportionate share of the collective net pension liability	0.1759%	0.1808%	0.1797%
City's covered employee payroll	11,255,168	11,086,571	9,925,733
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.16%	252.05%	219.80%
PERS' fiduciary net position as a percentage of the total pension liability	57.47%	61.70%	67.21%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented. PERS' implemented GASB 67 in fiscal year 2014 and thus information is not available to present a full ten years. The City has presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF RIDGELAND, MISSISSIPPI

**REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
LAST 10 FISCAL YEARS ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,772,689	1,746,135	1,563,303
Contributions in relation to the contractually required contribution	<u>1,772,689</u>	<u>1,746,135</u>	<u>1,563,303</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee	\$ 11,255,168	11,086,571	9,925,733
Contributions as a percentage of a covered employee payroll	15.75%	15.75%	15.75%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented. PERS' implemented GASB 67 in fiscal year 2014 and thus information is not available to present a full ten years. The City has presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule..

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION SCHEDULES
SEPTEMBER 30, 2016**

Budgetary Comparison Schedules

NOTE A - BASIS OF PRESENTATION

The City's governmental fund types are budgeted in accordance with the laws of the State of Mississippi which require that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered to be in accordance with generally accepted accounting principles. Governmental accounting requires that the "Budget to Actual" statement be prepared according to budgetary laws.

Pension Schedules

NOTE A - VALUATION DATE

Actuarially determined contribution rates are calculated as of June 30, three months prior to the end of the fiscal year in which contributions are reported.

NOTE B - CHANGES OF BENEFIT TERMS

None.

NOTE C - CHANGES OF ASSUMPTIONS

None.

NOTE D - DATA AVAILABLE AND PRESENTED

The required supplementary pension schedules are presented to illustrate the requirement to show information for ten years, as required by GASB 68. GASB 68 was implemented during the fiscal year ended September 30, 2015, and only reflects data for years for which trend information is available.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

RECEIVED

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CITY OF RIDGELAND, MISSISSIPPI

**MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

1. Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt.
2. Colony Park TIF Bond Debt Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the Colony Park TIF bonds.
3. City Center Fund - Capital Project Fund - This fund accounts for the accumulation of financial resources for the purchase of land, planning and construction related to the new City Center.
4. Lake Harbour Drive Extension Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the extension of Lake Harbour Drive to Highland Colony Parkway.

CITY OF RIDGELAND, MISSISSIPPI

**DEBT SERVICE FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u>
	<u>Original</u>	<u>Final</u>	<u>Basis)</u>	<u>(Negative)</u>
REVENUES:				
Taxes:				
Property taxes	\$ 3,640,496	3,640,496	3,503,408	(137,088)
Intergovernmental	16,938	16,938	17,819	881
Interest earned	<u>1,717</u>	<u>1,717</u>	<u>2,152</u>	<u>435</u>
Total revenues	<u>3,659,151</u>	<u>3,659,151</u>	<u>3,523,379</u>	<u>(135,772)</u>
EXPENDITURES:				
Debt Service:				
Principal	2,271,923	2,271,923	2,091,935	179,988
Interest and other fiscal charges	690,839	690,839	687,236	3,603
Bond issuance costs	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>3,062,762</u>	<u>3,062,762</u>	<u>2,779,171</u>	<u>283,591</u>
NET CHANGE IN FUND BALANCE	\$ <u>596,389</u>	<u>596,389</u>	744,208	<u>147,819</u>
Fund balance at beginning of year			<u>462,618</u>	
Fund balance at end of year			\$ <u>1,206,826</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			1,206,826	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>111,402</u>	
Fund balance at end of year - GAAP basis			\$ <u>1,318,228</u>	

CITY OF RIDGELAND, MISSISSIPPI

**COLONY PARK TIF BOND DEBT FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Sales tax	\$ 1,552,000	1,552,000	1,362,864	(189,136)
Property taxes	504,000	504,000	574,004	70,004
Intergovernmental	-	-	1,756,603	1,756,603
Interest earned	<u>797,000</u>	<u>797,000</u>	<u>3,200</u>	<u>(793,800)</u>
Total revenues	<u>2,853,000</u>	<u>2,853,000</u>	<u>3,696,671</u>	<u>843,671</u>
EXPENDITURES:				
Debt Service:				
Principal	1,330,000	1,330,000	1,330,000	-
Interest and other fiscal charges	<u>1,503,112</u>	<u>1,503,112</u>	<u>1,501,950</u>	<u>1,162</u>
Total expenditures	<u>2,833,112</u>	<u>2,833,112</u>	<u>2,831,950</u>	<u>1,162</u>
NET CHANGE IN FUND BALANCE	\$ <u>19,888</u>	<u>19,888</u>	864,721	<u>844,833</u>
Fund balance at beginning of year			3,577,583	
Fund balance at end of year			<u>\$ 4,442,304</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 4,442,304	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>223,667</u>	
Fund balance at end of year - GAAP basis			<u>\$ 4,665,971</u>	

CITY OF RIDGELAND, MISSISSIPPI
CITY CENTER FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earned	\$ -	-	14,562	14,562
Net unrealized loss on investments	-	-	(3,614)	(3,614)
Total revenues	-	-	10,948	10,948
EXPENDITURES:				
Capital outlay	14,046,775	14,046,775	380,006	13,666,769
Total expenditures	14,046,775	14,046,775	380,006	13,666,769
Excess (deficiency) of revenues over (under) expenditures	(14,046,775)	(14,046,775)	(369,058)	13,677,717
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	10,738,494	10,738,494
Total other financing sources (uses)	-	-	10,738,494	10,738,494
NET CHANGE IN FUND BALANCE	\$ (14,046,775)	(14,046,775)	10,369,436	24,416,211
Fund balance at beginning of year			914,050	
Fund balance at end of year			\$ 11,283,486	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 11,283,486	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			26,795	
Fund balance at end of year - GAAP basis			\$ 11,310,281	

CITY OF RIDGELAND, MISSISSIPPI

**LAKE HARBOUR DRIVE EXTENSION FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 6,747,665	6,747,665	4,994,638	(1,753,027)
Total revenues	<u>6,747,665</u>	<u>6,747,665</u>	<u>4,994,638</u>	<u>(1,753,027)</u>
EXPENDITURES:				
Capital outlay	<u>6,559,581</u>	<u>6,559,581</u>	<u>2,256,687</u>	<u>4,302,894</u>
Total expenditures	<u>6,559,581</u>	<u>6,559,581</u>	<u>2,256,687</u>	<u>4,302,894</u>
NET CHANGE IN FUND BALANCE	\$ <u>188,084</u>	<u>188,084</u>	2,737,951	<u>2,549,867</u>
Fund balance at beginning of year			<u>(3,500,336)</u>	
Fund balance at end of year			<u>(762,385)</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			(762,385)	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>1,683,288</u>	
Fund balance at end of year - GAAP basis			<u>\$ 920,903</u>	

CITY OF RIDGELAND, MISSISSIPPI

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

1. Forfeiture and Seizure Fund - Special Revenue Fund - This fund accounts for the revenues and related expenditures for forfeitures and seizures of the Ridgeland Police Department.
2. School Creek Intercept Special Assessment Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the Special Assessments bonds for the School Creek Interceptor.
3. Avery Boulevard Special Assessment Bond Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the Special Assessments Bonds for Avery Boulevard.
4. Lowes TIF Bond Debt Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the tax increment financing (TIF) bonds related to the Lowes TIF project.
5. Jackson Street Multi-Use Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of the Jackson Street Multi-Use Path between Highway 51 and Trace Ridge Drive.
6. City Entrance Sign Hwy 51 Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of the city entrance sign on Highway 51.
7. Avery Boulevard Special Assessment Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the extension of Avery Boulevard to Towne Center Boulevard funded by Special Assessments.
8. Colony Park Boulevard Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of Colony Park Boulevard, an interstate connector road.
9. Lake Harbour Reconstruction of Hwy 51 to Northpark Drive Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the widening of lanes on Lake Harbour Drive from Highway 51 to Northpark Drive.
10. 2014 \$5.1M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by general obligation bonds issued July 15, 2014.
11. Harbor Crossing TIF Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the Harbor Crossing development on Harbor Drive.

CITY OF RIDGELAND, MISSISSIPPI

**NONMAJOR GOVERNMENTAL FUNDS - CONTINUED:
SEPTEMBER 30, 2016**

12. Highland Colony Rehab Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the rehabilitation of Highland Colony Boulevard.
13. Craft Center Parking Lot Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the parking lot project at the MS Craft Center.
14. 2011 \$5.825M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by a public improvement bond issued May 31, 2011.
15. 2015 \$11.9M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by general obligation bonds issued December 22, 2015.

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

	<u>Special Revenue Fund</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Total Other Nonmajor Governmental Funds (See Exhibit A-3)</u>
	<u>Forfeiture and Seizure Fund</u>			
<u>ASSETS</u>				
Cash and cash equivalents	\$ 123,038	396,157	1,157,078	1,676,273
Receivables (net of allowance for uncollectibles, where applicable):				
Grants	-	-	212,078	212,078
Taxes	-	148,736	-	148,736
Special assessments	-	71,913	-	71,913
Other governments	-	410,430	-	410,430
Total assets	\$ <u>123,038</u>	<u>1,027,236</u>	<u>1,369,156</u>	<u>2,519,430</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	-	216,309	216,309
Due to other governments	1,732	-	-	1,732
Due to other funds	378	97,512	1,185,323	1,283,213
Total liabilities	<u>2,110</u>	<u>97,512</u>	<u>1,401,632</u>	<u>1,501,254</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	78,627	-	78,627
Unavailable revenue - special assessment	-	39,579	-	39,579
Unavailable revenue - Madison county	-	410,430	-	410,430
Total deferred inflows of resources	<u>-</u>	<u>528,636</u>	<u>-</u>	<u>528,636</u>
Fund Balances:				
Restricted:				
Public safety	120,928	-	-	120,928
Debt service	-	401,088	-	401,088
Unassigned	-	-	(32,476)	(32,476)
Total fund balances	<u>120,928</u>	<u>401,088</u>	<u>(32,476)</u>	<u>489,540</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>123,038</u>	<u>1,027,236</u>	<u>1,369,156</u>	<u>2,519,430</u>

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Exhibit C-5

CITY OF RIDGELAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
	Forfeiture and Seizure Fund			
REVENUES:				
Taxes:				
Sales taxes	\$ -	420,654	-	420,654
Property taxes	-	80,718	-	80,718
Special assessments	-	45,714	-	45,714
Intergovernmental programs	-	111,480	346,649	458,129
Fines and forfeitures	23,866	-	-	23,866
Interest earned	153	1,061	57	1,271
Total revenues	<u>24,019</u>	<u>659,627</u>	<u>346,706</u>	<u>1,030,352</u>
EXPENDITURES:				
Capital outlay	-	-	745,262	745,262
Debt Service:				
Principal	-	385,000	-	385,000
Interest and other fiscal charges	-	59,725	-	59,725
Bond issuance costs	-	27,999	337,229	365,228
Total expenditures	<u>-</u>	<u>472,724</u>	<u>1,082,491</u>	<u>1,555,215</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,019</u>	<u>186,903</u>	<u>(735,785)</u>	<u>(524,863)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	-	-	11,900,000	11,900,000
Proceeds from taxable negotiable refunding bond	-	1,845,000	-	1,845,000
Proceeds from premium on bond	-	-	173,695	173,695
Debt service principal	-	(1,814,089)	-	(1,814,089)
Sale of capital assets	2,727	-	-	2,727
Operating transfer in	-	-	398,320	398,320
Operating transfer out	-	-	(10,738,494)	(10,738,494)
Total other financing sources (uses)	<u>2,727</u>	<u>30,911</u>	<u>1,733,521</u>	<u>1,767,159</u>
NET CHANGE IN FUND BALANCES	<u>26,746</u>	<u>217,814</u>	<u>997,736</u>	<u>1,242,296</u>

CITY OF RIDGELAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
	<u>Forfeiture and Seizure Fund</u>			
Fund balances at beginning of year, as previously reported	\$ 94,182	1,016	(970,592)	(875,394)
Prior period adjustments	<u>-</u>	<u>182,258</u>	<u>(59,620)</u>	<u>122,638</u>
Fund balances at beginning of year, as restated	<u>94,182</u>	<u>183,274</u>	<u>(1,030,212)</u>	<u>(752,756)</u>
Fund balances at end of year	\$ <u>120,928</u>	<u>401,088</u>	<u>(32,476)</u>	<u>489,540</u>

CITY OF RIDGELAND, MISSISSIPPI

**FORFEITURE AND SEIZURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fines and forfeitures	\$ -	-	23,866	23,866
Interest earned	-	-	153	153
Total revenues	-	-	24,019	24,019
EXPENDITURES:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	24,019	24,019
Other financing sources (uses):				
Sale of capital assets	-	-	2,727	2,727
Total other financing sources (uses)	-	-	2,727	2,727
NET CHANGE IN FUND BALANCE	\$ -	-	26,746	26,746
Fund balance at beginning of year			94,182	
Fund balance at end of year (same as GAAP)			\$ 120,928	

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AS OF SEPTEMBER 30, 2016**

	School Creek Intercept S.A. Fund	Avery Blvd S.A. Bond Fund	Lowes TIF Bond Debt Fund	Total Nonmajor Debt Service Funds (See Exhibit C-5)
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	396,157	-	396,157
Receivables (net of allowance for uncollectibles, where applicable):				
Taxes	-	-	148,736	148,736
Special assessments	-	71,913	-	71,913
Other governments	-	-	410,430	410,430
Total assets	\$ -	468,070	559,166	1,027,236
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ 63,176	-	34,336	97,512
Total liabilities	63,176	-	34,336	97,512
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	-	78,627	78,627
Unavailable revenue - special assessment	-	39,579	-	39,579
Unavailable revenue - Madison county	-	-	410,430	410,430
Total deferred inflows of resources	-	39,579	489,057	528,636
Fund Balances:				
Restricted for:				
Debt service	(63,176)	428,491	35,773	401,088
Total fund balances	(63,176)	428,491	35,773	401,088
Total liabilities, deferred inflows of resources, and fund balances	\$ -	468,070	559,166	1,027,236

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	School Creek Intercept S.A. Fund	Avery Blvd S.A. Bond Fund	Lowes TIF Bond Debt Fund	Total Nonmajor Debt Service Funds (See Exhibit C-6)
REVENUES:				
Taxes:				
Sales taxes	\$ -	-	420,654	420,654
Property taxes	-	-	80,718	80,718
Special assessments	-	45,714	-	45,714
Intergovernmental	-	-	111,480	111,480
Interest earned	<u>553</u>	<u>508</u>	<u>-</u>	<u>1,061</u>
Total revenues	<u>553</u>	<u>46,222</u>	<u>612,852</u>	<u>659,627</u>
EXPENDITURES:				
Debt service:				
Principal	-	40,000	345,000	385,000
Interest and other fiscal charges	-	3,240	56,485	59,725
Bond issuance costs	<u>-</u>	<u>-</u>	<u>27,999</u>	<u>27,999</u>
Total expenditures	<u>-</u>	<u>43,240</u>	<u>429,484</u>	<u>472,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>553</u>	<u>2,982</u>	<u>183,368</u>	<u>186,903</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from taxable negotiable refunding notes	-	-	1,845,000	1,845,000
Debt service principal	<u>-</u>	<u>-</u>	<u>(1,814,089)</u>	<u>(1,814,089)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>30,911</u>	<u>30,911</u>
NET CHANGE IN FUND BALANCE	553	2,982	214,279	217,814
Fund balances at beginning of year, as previously reported	1,016	-	-	1,016
Prior period adjustments	<u>(64,745)</u>	<u>425,509</u>	<u>(178,506)</u>	<u>182,258</u>
Fund balances at beginning of year, as restated	<u>(63,729)</u>	<u>425,509</u>	<u>(178,506)</u>	<u>183,274</u>
Fund balances at end of year	\$ <u>(63,176)</u>	<u>428,491</u>	<u>35,773</u>	<u>401,088</u>

CITY OF RIDGELAND, MISSISSIPPI

**SCHOOL CREEK INTERCEPT SPECIAL ASSESSMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earned	\$ -	-	553	553
Total revenues	-	-	553	553
EXPENDITURES:				
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	553	553
Fund balance at beginning of year			(63,729)	
Fund balance at end of year (same as GAAP)			\$ (63,176)	

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CITY OF RIDGELAND, MISSISSIPPI

**AVERY BOULEVARD SPECIAL ASSESSMENT BOND FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Special assessments	\$ 46,997	46,997	13,380	(33,617)
Interest earned	<u>500</u>	<u>500</u>	<u>508</u>	<u>8</u>
Total revenues	<u>47,497</u>	<u>47,497</u>	<u>13,888</u>	<u>(33,609)</u>
EXPENDITURES:				
Debt service:				
Principal	40,000	40,000	40,000	-
Interest and other fiscal charges	<u>3,490</u>	<u>3,490</u>	<u>3,240</u>	<u>250</u>
Total expenditures	<u>43,490</u>	<u>43,490</u>	<u>43,240</u>	<u>250</u>
NET CHANGE IN FUND BALANCE	\$ <u>4,007</u>	<u>4,007</u>	(29,352)	<u>(33,359)</u>
Fund balance at beginning of year			<u>425,509</u>	
Fund balance at end of year			\$ <u>396,157</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETERY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 396,157	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>32,334</u>	
Fund balance at end of year - GAAP basis			\$ <u>428,491</u>	

CITY OF RIDGELAND, MISSISSIPPI

**LOWES TIF BOND DEBT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Sales taxes	\$ 372,760	372,760	420,654	47,894
Property taxes	64,932	64,932	80,718	15,786
Intergovernmental	97,531	97,531	111,480	13,949
Total revenues	<u>535,223</u>	<u>535,223</u>	<u>612,852</u>	<u>77,629</u>
EXPENDITURES:				
Debt service:				
Principal	-	345,000	345,000	-
Interest and other fiscal charges	-	56,485	56,485	-
Bond issuance costs	-	28,000	27,999	1
Total expenditures	-	<u>429,485</u>	<u>429,484</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	535,223	105,738	183,368	77,630
OTHER FINANCING SOURCES (USES):				
Proceeds from taxable negotiable refunding notes	-	30,911	1,845,000	1,814,089
Debt service principal	-	-	(1,814,089)	(1,814,089)
Total other financing sources (uses)	-	<u>30,911</u>	<u>30,911</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>535,223</u>	<u>136,649</u>	214,279	<u>77,630</u>
Fund balance at beginning of year			(248,615)	
Fund balance at end of year			\$ <u>(34,336)</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ (34,336)	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>70,109</u>	
Net change in fund balance - GAAP basis			\$ <u>35,773</u>	

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AS OF SEPTEMBER 30, 2016**

	<u>Jackson Street Multi-Use Fund</u>	<u>City Entrance Sign Hwy 51 Fund</u>	<u>Avery Blvd Special Assessment Fund</u>	<u>Colony Park Boulevard Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,606	15,000	-	83,763
Receivables (net of allowance for uncollectibles, where applicable):				
Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>6,606</u>	<u>15,000</u>	<u>-</u>	<u>83,763</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	360	-	-	1,155
Due to other funds	<u>-</u>	<u>-</u>	<u>387,369</u>	<u>-</u>
Total liabilities	<u>360</u>	<u>-</u>	<u>387,369</u>	<u>1,155</u>
Fund Balances:				
Unassigned	<u>6,246</u>	<u>15,000</u>	<u>(387,369)</u>	<u>82,608</u>
Total fund balances	<u>6,246</u>	<u>15,000</u>	<u>(387,369)</u>	<u>82,608</u>
Total liabilities and fund balances	\$ <u>6,606</u>	<u>15,000</u>	<u>-</u>	<u>83,763</u>

Lake Harbour Recon 51 to NP Fund	2014 \$5.1M Bond Issue Fund	Harbour Crossing TIF Fund	Highland Colony Rehab Fund	Craft Center Parking Lot Fund	2011 \$5.825M Bond Issue Fund	2015 \$11.9M Bond Issue Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-5)
-	9	-	259,297	3,742	100	788,561	1,157,078
-	-	-	-	212,078	-	-	212,078
-	9	-	259,297	215,820	100	788,561	1,369,156
-	-	-	177	214,617	-	-	216,309
796,924	-	1,030	-	-	-	-	1,185,323
796,924	-	1,030	177	214,617	-	-	1,401,632
(796,924)	9	(1,030)	259,120	1,203	100	788,561	(32,476)
(796,924)	9	(1,030)	259,120	1,203	100	788,561	(32,476)
-	9	-	259,297	215,820	100	788,561	1,369,156



CITY OF RIDGELAND, MISSISSIPPI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Jackson Street Multi-Use Fund	City Entrance Sign Hwy 51 Fund	Avery Blvd Special Assessment Fund	Colony Park Boulevard Fund	Lake Harbour Recon 51 to NP Fund
REVENUES:					
Intergovernmental	\$ -	-	-	-	2,903
Interest earned	-	-	-	-	-
Total revenues	-	-	-	-	2,903
EXPENDITURES:					
Capital outlay	55,527	-	-	315,139	535
Bond issuance costs	-	-	-	-	-
Total expenditures	55,527	-	-	315,139	535
Excess (deficiency) of revenues over (under) expenditures	(55,527)	-	-	(315,139)	2,368
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance	-	-	-	-	-
Proceeds from premium on bond	-	-	-	-	-
Operating transfers in	-	-	-	343,125	252,101
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	343,125	252,101
NET CHANGE IN FUND BALANCES	(55,527)	-	-	27,986	254,469
Fund balances at beginning of year, as previously reported	61,773	15,000	(387,369)	54,622	(991,773)
Prior period adjustments	-	-	-	-	(59,620)
Fund balances at beginning of year, as restated	61,773	15,000	(387,369)	54,622	(1,051,393)
Fund balances at end of year	\$ 6,246	15,000	(387,369)	82,608	(796,924)

2014 \$5.1M Bond Issue Fund	Harbour Crossing TIF Fund	Highland Colony Rehab Fund	Craft Center Parking Lot Fund	2011 \$5.825M Bond Issue Fund	2015 \$11.9M Bond Issue Fund	Interfund Eliminations	Total Nonmajor Capital Projects Funds (See Exhibit C-6)
-	-	-	343,746	-	-	-	346,649
<u>7</u>	-	-	-	<u>50</u>	-	-	<u>57</u>
<u>7</u>	-	-	<u>343,746</u>	<u>50</u>	-	-	<u>346,706</u>
-	-	207	373,854	-	-	-	745,262
-	-	-	-	-	<u>337,229</u>	-	<u>337,229</u>
-	-	<u>207</u>	<u>373,854</u>	-	<u>337,229</u>	-	<u>1,082,491</u>
<u>7</u>	-	<u>(207)</u>	<u>(30,108)</u>	<u>50</u>	<u>(337,229)</u>	-	<u>(735,785)</u>
-	-	-	-	-	11,900,000	-	11,900,000
-	-	-	-	-	173,695	-	173,695
-	-	260,000	-	-	-	(456,906)	398,320
<u>(133,714)</u>	-	-	-	<u>(113,781)</u>	<u>(10,947,905)</u>	<u>456,906</u>	<u>(10,738,494)</u>
<u>(133,714)</u>	-	<u>260,000</u>	-	<u>(113,781)</u>	<u>1,125,790</u>	-	<u>1,733,521</u>
(133,707)	-	259,793	(30,108)	(113,731)	788,561	-	997,736
133,716	(1,030)	(673)	31,311	113,831	-	-	(970,592)
-	-	-	-	-	-	-	<u>(59,620)</u>
<u>133,716</u>	<u>(1,030)</u>	<u>(673)</u>	<u>31,311</u>	<u>113,831</u>	-	-	<u>(1,030,212)</u>
<u>9</u>	<u>(1,030)</u>	<u>259,120</u>	<u>1,203</u>	<u>100</u>	<u>788,561</u>	-	<u>(32,476)</u>

CITY OF RIDGELAND, MISSISSIPPI

JACKSON STREET MULTI-USE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 300,000	300,000	-	(300,000)
Total revenues	<u>300,000</u>	<u>300,000</u>	-	<u>(300,000)</u>
EXPENDITURES:				
Capital outlay	<u>368,201</u>	<u>368,201</u>	<u>55,527</u>	<u>312,674</u>
Total expenditures	<u>368,201</u>	<u>368,201</u>	<u>55,527</u>	<u>312,674</u>
NET CHANGE IN FUND BALANCE	\$ <u>(68,201)</u>	<u>(68,201)</u>	<u>(55,527)</u>	<u>12,674</u>
Fund balance at beginning of year			<u>61,773</u>	
Fund balance at end of year (same as GAAP)			\$ <u>6,246</u>	

CITY OF RIDGELAND, MISSISSIPPI

**CITY ENTRANCE SIGN HWY 51 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	-	-
Fund balance at beginning of year			15,000	
Fund balance at end of year (same as GAAP)			\$ 15,000	

CITY OF RIDGELAND, MISSISSIPPI

**AVERY BLVD SPECIAL ASSESSMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	-	-
Fund balance at beginning of year			(387,369)	
Fund balance at end of year			\$ (387,369)	

CITY OF RIDGELAND, MISSISSIPPI

COLONY PARK BOULEVARD FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	-	-	-
Interest earned	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	310,614	520,025	315,139	204,886
Total expenditures	310,614	520,025	315,139	204,886
Excess (deficiency) of revenues over (under) expenditures	(310,614)	(520,025)	(315,139)	204,886
OTHER FINANCING SOURCES (USES):				
Operating transfers in	133,714	343,125	343,125	-
Total other financing sources (uses)	133,714	343,125	343,125	-
NET CHANGE IN FUND BALANCE	\$ (176,900)	(176,900)	27,986	204,886
Fund balance at beginning of year			54,622	
Fund balance at end of year (same as GAAP)			\$ 82,608	

CITY OF RIDGELAND, MISSISSIPPI

**LAKE HARBOUR RECONSTRUCTION HWY 51 TO NORTHPARK DRIVE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	-	9,903	9,903
Total revenues	-	-	9,903	9,903
EXPENDITURES:				
Capital outlay	50,700	60,155	535	59,620
Total expenditures	50,700	60,155	535	59,620
Excess (deficiency) of revenues over (under) expenditures	(50,700)	(60,155)	9,368	69,523
OTHER FINANCING SOURCES (USES):				
Transfers in	242,646	252,101	252,101	-
Total other financing sources (uses)	242,646	252,101	252,101	-
NET CHANGE IN FUND BALANCE	\$ 191,946	191,946	261,469	69,523
Fund balance at beginning of year			(1,058,393)	
Fund balance at end of year (same as GAAP)			\$ (796,924)	

CITY OF RIDGELAND, MISSISSIPPI

**2014 \$5.1M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earned	\$ -	-	7	7
Total revenues	-	-	7	7
EXPENDITURES:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	7	7
OTHER FINANCING SOURCES (USES):				
Operating transfers out	(133,714)	(133,714)	(133,714)	-
Total other financing sources (uses)	(133,714)	(133,714)	(133,714)	-
NET CHANGE IN FUND BALANCE	\$ (133,714)	(133,714)	(133,707)	7
Fund balance at beginning of year			133,716	
Fund balance at end of year (same as GAAP)			\$ 9	

CITY OF RIDGELAND, MISSISSIPPI

**HARBOUR CROSSING TIF FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	-	-
Fund balance at beginning of year			(1,030)	
Fund balance at end of year (same as GAAP)			\$ (1,030)	

CITY OF RIDGELAND, MISSISSIPPI

**HIGHLAND COLONY REHAB FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 215,000	215,000	-	(215,000)
Total revenues	<u>215,000</u>	<u>215,000</u>	-	<u>(215,000)</u>
EXPENDITURES:				
Capital outlay	<u>475,000</u>	<u>475,000</u>	207	<u>474,793</u>
Total expenditures	<u>475,000</u>	<u>475,000</u>	207	<u>474,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,000)</u>	<u>(260,000)</u>	<u>(207)</u>	<u>259,793</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Total other financing sources (uses)	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	<u>-</u>	259,793	<u>259,793</u>
Fund balance at beginning of year			<u>(673)</u>	
Fund balance at end of year (same as GAAP)			\$ <u>259,120</u>	

CITY OF RIDGELAND, MISSISSIPPI
CRAFT CENTER PARKING LOT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Basis)</u>	
REVENUES:				
Intergovernmental	\$ 473,538	473,538	131,668	(341,870)
Total revenues	<u>473,538</u>	<u>473,538</u>	<u>131,668</u>	<u>(341,870)</u>
EXPENDITURES:				
Capital outlay	<u>477,019</u>	<u>477,019</u>	<u>354,808</u>	<u>122,211</u>
Total expenditures	<u>477,019</u>	<u>477,019</u>	<u>354,808</u>	<u>122,211</u>
NET CHANGE IN FUND BALANCE	\$ <u>(3,481)</u>	<u>(3,481)</u>	(223,140)	<u>(219,659)</u>
Fund balance at beginning of year			31,311	
Fund balance at end of year			\$ <u>(191,829)</u>	
EXPLANATION OF DIFFERENCES BETWEEN				
NET CHANGE IN BUDGETARY BASIS FUND				
BALANCE AND NET CHANGE IN GAAP BASIS				
FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ (191,829)	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			212,078	
Net accrued expenditures and related liabilities paid after 30 days			<u>(19,046)</u>	
Net change in fund balance - GAAP basis			\$ <u>1,203</u>	

CITY OF RIDGELAND, MISSISSIPPI

**2011 \$5.825M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earned	\$ -	-	50	50
Total revenues	-	-	50	50
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	50	50
OTHER FINANCING SOURCES (USES):				
Operating transfers out	(113,781)	(113,781)	(113,781)	-
Total other financing sources (uses)	(113,781)	(113,781)	(113,781)	-
NET CHANGE IN FUND BALANCE	\$ (113,781)	(113,781)	(113,731)	50
Fund balance at beginning of year			113,831	
Fund balance at end of year (same as GAAP)			\$ 100	



CITY OF RIDGELAND, MISSISSIPPI

**2015 \$11.9M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earned	\$ -	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Bond issuance costs	-	-	337,229	(337,229)
Total expenditures	-	-	337,229	(337,229)
Excess (deficiency) of revenues over (under) expenditures	-	-	(337,229)	(337,229)
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	-	-	11,900,000	11,900,000
Proceeds from premium on bond	-	-	173,695	173,695
Operating transfers out	-	(209,411)	(10,947,905)	(10,738,494)
Total other financing sources (uses)	-	(209,411)	1,125,790	1,335,201
NET CHANGE IN FUND BALANCE	\$ -	(209,411)	788,561	997,972
Fund balance at beginning of year			-	
Fund balance at end of year (same as GAAP)			\$ 788,561	

SUPPLEMENTAL INFORMATION
(UNAUDITED)

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CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 2016**

GENERAL FUND:

Government National Mortgage Association	\$ 2,309,448
Private Export Funding Corporation	273,352
State of Mississippi	1,928,659
Small Business Administration	1,014,170
Mississippi Development Bank	375,614
Panola County MS Tax GO Bonds	<u>269,081</u>
	<u>6,170,324</u>

CITY CENTER FUND:

Federal Home Loan Bank	6,465,871
Federal National Mortgage Association	<u>1,998,580</u>
	<u>8,464,451</u>

ENTERPRISE FUND:

Government National Mortgage Association	2,091,260
State of Mississippi	806,120
Small Business Administration	252,112
Mississippi Development Bank	441,734
Pearl MS Urban Renewal Rev.	<u>101,208</u>
	<u>3,692,434</u>

Total of all investments	\$ <u>18,327,209</u>
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CITY OF RIDGELAND, MISSISSIPPI

SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS SEPTEMBER 30, 2016

Position	Name	Company	Amount	Position	Name	Company	Amount
Mayor	Gene F. McGee	St. Paul	\$ 100,000	Police Officer	Thomas Addison	St. Paul	\$ 25,000
Alderman	Chuck Gautier	St. Paul	100,000	Police Officer	Daniel Green	St. Paul	25,000
Alderman	Wesley Hamlin	St. Paul	100,000	Police Officer	Brennan Alexander	St. Paul	25,000
Alderman	Kenneth H. Heard, Jr.	St. Paul	100,000	Police Officer	Samuel Barnett	St. Paul	25,000
Alderman	Kevin Holder	St. Paul	100,000	Police Officer	Noel Bass	St. Paul	25,000
Alderman	Thomas S. Jones	St. Paul	100,000	Police Officer	Brice Berry	St. Paul	25,000
Alderman	Brian Ramsey	St. Paul	100,000	Police Officer	Brett Bertucci	St. Paul	25,000
Alderman	D.I. Smith	St. Paul	100,000	Police Officer	Erin Boyd	St. Paul	25,000
City Clerk	Paula Tierce	St. Paul	50,000	Police Officer	Ricky Bracy	St. Paul	25,000
Finance Manager	Ashley Daniel	St. Paul	50,000	Police Officer	Hunter Bridges	St. Paul	25,000
Utility Manager	Barbara Lopez	St. Paul	50,000	Police Officer	Brad Carter	St. Paul	25,000
Utility Billing Clerk	Lee Ann Keith	St. Paul	50,000	Police Officer	Kelly Chapin	St. Paul	25,000
Utility Billing Clerk	Cindy Boatner	St. Paul	50,000	Police Officer	Corey Clark	St. Paul	25,000
Deputy Clerk	Ina Byrd	St. Paul	50,000	Police Officer	William Clark	St. Paul	25,000
Deputy Clerk	Ericka Brown	St. Paul	50,000	Police Officer	Gregory Waters	St. Paul	25,000
Deputy Clerk	Karen Knight	St. Paul	50,000	Police Officer	Patrick Craig	St. Paul	25,000
Deputy Clerk	Leslie Thomas	St. Paul	50,000	Police Officer	Justin Crawford	St. Paul	25,000
Executive Secretary	Gilda Carter	St. Paul	50,000	Police Officer	Zerial Kitchens	St. Paul	25,000
Purchasing Clerk	Lori Foreman	St. Paul	50,000	Police Officer	Ray Daniels	St. Paul	25,000
Inspection Manager	Bridgette Smith	St. Paul	50,000	Police Officer	Joseph Martin	St. Paul	25,000
Executive Secretary	Megan Spears	St. Paul	50,000	Police Officer	Russell Dukette	St. Paul	25,000
Program Coordinator	Julie Cox	St. Paul	50,000	Police Officer	Marcus Edwards	St. Paul	25,000
Special Events Coord	Wendy Bourdin	St. Paul	50,000	Police Officer	Greg Fillingame	St. Paul	25,000
Sr. Adult Coord	Lynda M Assink	St. Paul	50,000	Police Officer	Jimmy Finnegan	St. Paul	25,000
Athletics Coord	John Sidney North	St. Paul	50,000	Police Officer	Dylan Pritchard	St. Paul	25,000
Custodian	Houston Drane	St. Paul	50,000	Police Officer	Ryan Halbert	St. Paul	25,000
Court Clerk	Louanna Varnado	St. Paul	50,000	Police Officer	Rodney Hale	St. Paul	25,000
Deputy Court Clerk	Michele Apuzzo	St. Paul	50,000	Police Officer	Brian Harper	St. Paul	25,000
Records Clerk	Alexandria McDaniels	St. Paul	50,000	Police Officer	Clayton Hastings	St. Paul	25,000
Records Clerk	Cassandra Daniels	St. Paul	50,000	Police Officer	Jason Haven	St. Paul	25,000
Records Clerk	Stephanie McMillian	St. Paul	50,000	Police Officer	Barry Hollingsworth	St. Paul	25,000
Records Clerk	Laondra Williams	St. Paul	50,000	Police Officer	Jokabi Jenkins	St. Paul	25,000
Records Clerk	Erica Mahone	St. Paul	50,000	Police Officer	Robert Johnson	St. Paul	25,000
Evidence Custodian	Heather Evans	St. Paul	50,000	Police Officer	Ryan Jungers	St. Paul	25,000
Booking Officer	Arthur Kelly	St. Paul	50,000	Police Officer	Justin Lancaster	St. Paul	25,000
Booking Officer	Michael Pientowski	St. Paul	50,000	Police Officer	Alex Loveall	St. Paul	25,000
Booking Officer	Robert Beard	St. Paul	50,000	Police Officer	Kerri Huff	St. Paul	25,000
Booking Officer	Tony Thompson	St. Paul	50,000	Police Officer	Donald Martin	St. Paul	25,000
Code Enforcement	Brian Johnson	St. Paul	50,000	Police Officer	Doug Mathis	St. Paul	25,000
Code Enforcement	Steven Smith	St. Paul	50,000	Police Officer	Kyle Millican	St. Paul	25,000
Code Enforcement	Georgia Trebisky	St. Paul	50,000	Police Officer	Andre Minter	St. Paul	25,000
Police Chief	John Neal	St. Paul	50,000	Police Officer	David Myers	St. Paul	25,000
Part-Time Officer	Mike Bailey	St. Paul	25,000	Police Officer	James Myers	St. Paul	25,000
Reserve Officer	John Boyer	St. Paul	25,000	Police Officer	Andrew McCullough	St. Paul	25,000
Reserve Officer	Gary Davis	St. Paul	25,000	Police Officer	Michael McGahey	St. Paul	25,000
Reserve Officer	Revell Dixon	St. Paul	25,000	Police Officer	Thomas Anderson	St. Paul	25,000
Reserve Officer	William Grissett Jr	St. Paul	25,000	Police Officer	Luke Neal	St. Paul	25,000
Reserve Officer	Greg Phillips	St. Paul	25,000	Police Officer	Leslie Owens	St. Paul	25,000
Reserve Officer	David Pursell	St. Paul	25,000	Police Officer	Mark Pen	St. Paul	25,000
Reserve Officer	Richard Raffield	St. Paul	25,000	Police Officer	Sara Perkins	St. Paul	25,000
Reserve Officer	Lester Schommer	St. Paul	25,000	Police Officer	Adrian Ready	St. Paul	25,000
Reserve Officer	Steve Wilson	St. Paul	25,000	Police Officer	Willie Robinson Jr.	St. Paul	25,000
				Police Officer	Jason Rudd	St. Paul	25,000
				Police Officer	Norman Sipp	St. Paul	25,000
				Police Officer	Michael Hutton	St. Paul	25,000
				Police Officer	Mitchell Tate	St. Paul	25,000
				Police Officer	Jeff Thames	St. Paul	25,000
				Police Officer	Linton Byrd	St. Paul	25,000
				Police Officer	Eric Redd	St. Paul	25,000
				Police Officer	Gerald West	St. Paul	25,000
				Police Officer	Wilson Wielgosz	St. Paul	25,000
				Police Officer	Elton Wilkerson	St. Paul	25,000
				Police Officer	Nathan Willridge	St. Paul	25,000
				Police Officer	Matt Witt	St. Paul	25,000
				Police Officer	Jonathan Wolfe	St. Paul	25,000
				Police Officer	Elliot Young	St. Paul	25,000
				Police Officer	Charles Lewis	St. Paul	25,000

CITY OF RIDGELAND, MISSISSIPPI

SCHEDULE OF CHANGES IN LONG-TERM DEBT SEPTEMBER 30, 2016

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance October 1, 2015	Current Year Transactions			Balance September 30, 2016
						Additions	Retirements	Refunding	
Governmental Activities Long-Term Debt									
General obligation bonds:									
Refunding bonds	03-01-10	09-01-16	3.0-4.5%	4,160,000	\$ 350,000	-	(350,000)	-	-
Bond premium				273,400	3,503	-	(3,503)	-	-
Refunding bonds	05-01-12	05-01-19	2.000%	3,230,000	1,915,000	-	(460,000)	-	1,455,000
Bond premium				113,662	58,186	-	(16,237)	-	41,949
Public improvement	03-29-05	03-01-17	4.150%	410,000	80,000	-	(40,000)	-	40,000
Public improvement	08-16-07	09-30-27	4.25-5.25%	10,165,000	940,000	-	(460,000)	-	480,000
Bond premium				19,760	11,736	-	(5,868)	-	5,868
Public improvement	05-31-11	05-01-26	3-4%	5,825,000	4,595,000	-	(340,000)	-	4,255,000
Bond premium				61,897	44,016	-	(4,126)	-	39,890
General obligation bonds	07-15-14	06-01-34	3-4%	5,100,000	4,895,000	-	(195,000)	-	4,700,000
Refunding bonds	12-18-14	08-01-27	2-5%	6,053,549	5,940,668	-	-	-	5,940,668
Bond premium				175,874	162,348	-	(13,529)	-	148,819
General obligation bonds	12-22-15	12-01-35	2.25-3.125%	11,900,000	-	11,900,000	-	-	11,900,000
Bond premium				-	-	173,695	(6,514)	-	167,181
Total general obligation bonds					18,995,457	12,073,695	(1,894,777)	-	29,174,375
Limited obligation bonds:									
County line refunding	09-01-15	09-01-20	3.250%	1,845,000	1,814,089	1,845,000	(2,159,089)	-	1,500,000
Bond premiums				173,695	65,000	-	(13,000)	-	52,000
Colony park phase I	10-15-09	11-30-29	3-5.375%	24,625,000	20,215,000	-	(965,000)	-	19,250,000
Colony park phase II	04-21-11	04-01-31	5.2-6.375%	10,375,000	9,050,000	-	(365,000)	-	8,685,000
Bond discount				-	(142,444)	-	9,141	-	(133,303)
Total limited obligation bonds					31,001,645	1,845,000	(3,492,948)	-	29,353,697
Other long-term debt:									
Mississippi department of transportation	10-11-06	06-30-26	5.0%	5,072,000	4,690,017	166,850	-	-	4,856,867
Harbor walk HA-49 MDA	12-01-09	03-01-17	0.0%	2,295,482	573,872	-	(286,935)	-	286,937
Capital lease	03-10-15	03-10-19	2.24%	80,000	70,387	-	(19,551)	-	50,836
Capital lease	10-20-15	12-02-18	1.76%	65,139	-	65,109	-	-	65,109
Total other long-term debt					5,334,276	231,959	(306,486)	-	5,259,749
Total long-term debt					55,331,378	14,150,654	(5,694,211)	-	63,787,821
Business-Type Activities Long-Term Debt									
General obligation bonds:									
Water and sewer	08-16-07	09-30-27	4.25-5.25%	9,200,000	850,000	-	(415,000)	-	435,000
Bond premium				17,884	10,622	-	(5,311)	-	5,311
Refunding bonds	11-04-10	11-01-23	2.0-3.1%	2,129,367	1,874,864	-	(128,311)	-	1,746,553
Bond premium				31,625	19,867	-	(2,433)	-	17,434
Refunding bonds	11-04-10	11-01-21	2.01-3.1	1,466,894	880,137	-	(146,689)	-	733,448
Bond premium				21,786	11,256	-	(2,179)	-	9,077
Refunding bonds	12-18-14	08-01-27	2-5%	5,476,452	5,374,332	-	-	-	5,374,332
Bond premium				159,125	146,880	-	(12,240)	-	134,640
Total general obligation bonds					9,167,958	-	(712,163)	-	8,455,795
Other long-term debt:									
State revolving fund loan	04-03-97	01-03-17	4.5%	2,135,283	211,597	-	(157,504)	-	54,093
State revolving fund loan	05-06-11	03-01-31	1.75%	4,685,918	1,544,057	-	(87,488)	-	1,456,569
State revolving fund loan	10-18-10	06-01-30	1.95%	1,750,000	1,395,105	-	(82,443)	-	1,312,662
State revolving fund loan	11-14-14	07-01-26	1.95%	1,080,192	36,318	588,686	-	-	625,004
Madison county waste water authority	04-20-04	06-01-23	1.75%	282,322	122,522	-	(14,892)	-	107,630
Madison county waste water authority	03-31-07	06-10-30	1.75%	404,830	315,159	-	(18,894)	-	296,265
Madison county waste water authority	11-01-10	11-01-25	3.73%	800,000	585,588	-	(48,568)	-	537,020
Madison county waste water authority	02-15-12	10-05-31	1.75%	363,006	308,005	-	(16,729)	-	291,276
Total other long-term debt					4,518,351	588,686	(426,518)	-	4,680,519
Total enterprise fund					\$ 13,686,309	588,686	(1,138,681)	-	13,136,314

CITY OF RIDGELAND, MISSISSIPPI
TABLE 1
FUND BALANCE AND NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Governmental Funds Fund Balances</u>										
General Fund:										
Reserved	\$ 1,454	1,340	1,397	514	-	-	-	-	-	-
Unreserved	11,302	11,375	11,319	12,448	-	-	-	-	-	-
Nonspendable**	-	-	-	-	57	56	79	65	75	111
Restricted**	-	-	-	-	455	330	263	248	301	589
Assigned**	-	-	-	-	46	46	45	46	282	2,377
Unassigned**	-	-	-	-	12,749	12,937	14,805	14,298	16,376	13,517
Total General Fund Fund Balance	\$ <u>12,756</u>	<u>12,715</u>	<u>12,716</u>	<u>12,962</u>	<u>13,307</u>	<u>13,369</u>	<u>15,192</u>	<u>14,657</u>	<u>17,034</u>	<u>16,594</u>
<u>All Other Governmental Funds:</u>										
Reserved	\$ -	-	-	525	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	358	270	-	449	-	-	-	-	-	-
Capital Projects Funds	8,727	5,590	3,025	291	-	-	-	-	-	-
Debt Service Funds	2,140	1,963	2,343	1,634	-	-	-	-	-	-
Nonspendable**	-	-	-	-	529	1,351	900	-	-	-
Restricted**	-	-	-	-	1,397	11,945	5,638	5,786	1,788	18,737
Assigned**	-	-	-	-	96	92	78	69	94	-
Unassigned**	-	-	-	-	-	-	-	-	-	(32)
Total All Other Governmental Funds Fund Balances	\$ <u>11,225</u>	<u>7,823</u>	<u>5,368</u>	<u>2,899</u>	<u>2,022</u>	<u>13,388</u>	<u>6,616</u>	<u>5,855</u>	<u>1,882</u>	<u>18,705</u>
<u>Government-Wide Funds Position</u>										
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 160,918	157,935	174,407	180,216	176,163	177,810	185,396	183,960	191,730	162,630
Restricted	12,275	18,776	16,628	1,801	923	1,068	498	4,581	395	28,229
Unrestricted	11,710	12,324	2,266	4,729	8,097	7,283	9,088	13,993	(4,682)	(8,055)
Total Governmental Activities Net Position	\$ <u>184,903</u>	<u>189,035</u>	<u>193,301</u>	<u>186,746</u>	<u>185,183</u>	<u>186,161</u>	<u>194,982</u>	<u>202,534</u>	<u>187,443</u>	<u>182,804</u>

(continued)

CITY OF RIDGELAND, MISSISSIPPI
TABLE 1
FUND BALANCE AND NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Government-Wide Funds Position - continued:</u>										
Business-Type Activities:										
Net Investment in Capital Assets	\$ 4,481	7,869	12,294	13,540	17,548	17,901	18,747	20,515	20,214	28,164
Restricted	2,865	1,777	1,898	2,653	4,808	1,532	1,631	1,788	1,906	-
Unrestricted	<u>13,059</u>	<u>12,116</u>	<u>9,561</u>	<u>9,957</u>	<u>7,489</u>	<u>9,487</u>	<u>9,036</u>	<u>6,115</u>	<u>3,504</u>	<u>5,641</u>
Total Business-Type Activities Net Position	\$ <u>20,405</u>	<u>21,762</u>	<u>23,753</u>	<u>26,150</u>	<u>29,845</u>	<u>28,920</u>	<u>29,414</u>	<u>28,418</u>	<u>25,624</u>	<u>33,805</u>
Total Primary Government:										
Net Investment in Capital Assets:	\$ 165,399	165,804	186,701	193,756	193,711	195,711	204,143	204,475	211,944	190,794
Restricted	15,140	20,553	18,526	4,454	5,731	2,600	2,129	6,369	2,301	28,229
Unrestricted	<u>24,769</u>	<u>24,440</u>	<u>11,827</u>	<u>14,686</u>	<u>15,586</u>	<u>16,770</u>	<u>18,124</u>	<u>20,108</u>	<u>(1,178)</u>	<u>(2,414)</u>
Total Primary Government Net Position	\$ <u>205,308</u>	<u>210,797</u>	<u>217,054</u>	<u>212,896</u>	<u>215,028</u>	<u>215,081</u>	<u>224,396</u>	<u>230,952</u>	<u>213,067</u>	<u>216,609</u>

Source: Audited Financial Statements

**Fund Balance information with respect to these categories for years 2007-2010 is unavailable before GASB 54 implementation.

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>EXPENSES</u>										
Governmental activities:										
General government	\$ 3,410	3,833	3,841	4,039	5,376	4,066	3,444	4,954	5,504	5,666
Public safety	10,180	11,940	10,846	10,502	10,909	11,827	10,662	11,343	12,795	11,786
Court services	110	138	239	318	323	150	314	390	454	324
Public services	6,288	6,962	6,615	6,615	6,243	6,323	5,982	7,041	7,826	7,319
Health and welfare	56	50	54	29	45	39	31	50	55	54
Sanitation	896	1,029	1,168	1,197	1,068	1,190	1,195	1,197	-	-
Culture and recreation	1,970	2,856	2,319	2,393	2,586	2,651	2,745	2,840	2,988	2,697
Interest on long-term debt	1,750	2,315	1,380	1,166	3,634	4,528	4,835	2,121	2,170	2,570
Bond issuance expense	-	-	-	-	-	-	-	-	-	365
Pension expense	-	-	-	-	-	-	-	-	2,726	-
Total governmental activities expense	24,660	29,123	26,462	26,259	30,184	30,774	29,208	29,936	34,518	30,781
Business-type activities:										
Sanitation	-	-	-	-	-	-	-	-	1,278	1,314
Public utility	4,600	4,849	6,098	5,231	5,317	6,169	5,523	7,574	7,494	10,781
Total business-type activities expense	4,600	4,849	6,098	5,231	5,317	6,169	5,523	7,574	8,772	12,095
Total primary government expenses	\$ 29,260	33,972	32,560	31,490	35,501	36,943	34,731	37,510	43,290	42,876
<u>PROGRAM REVENUES</u>										
Governmental activities:										
Charges for services:										
General government	\$ 3,291	3,757	4,864	4,153	3,671	3,529	5,418	7,173	9,405	914
Public safety	-	-	-	426	65	7	25	9	1	2,007
Public services	112	140	137	242	222	235	357	304	308	100
Sanitation	874	847	951	989	1,024	1,047	1,071	1,286	-	-
Culture and recreation	265	344	322	305	339	337	310	311	281	261

(continued)

CITY OF RIDGELAND, MISSISSIPPI
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>PROGRAM REVENUES -</u>										
CONTINUED:										
Governmental activities - continued:										
Operating grants and contributions	\$ 784	1,002	265	198	326	167	230	276	198	224
Capital grants and contributions	<u>2,321</u>	<u>3,305</u>	<u>222</u>	<u>341</u>	<u>228</u>	<u>440</u>	<u>7,125</u>	<u>4,740</u>	<u>4,513</u>	<u>3,799</u>
Total governmental activities program revenues	<u>7,647</u>	<u>9,395</u>	<u>6,761</u>	<u>6,654</u>	<u>5,875</u>	<u>5,762</u>	<u>14,536</u>	<u>14,099</u>	<u>14,706</u>	<u>7,305</u>
Business-type activities:										
Charges for services:										
Sanitation	-	-	-	-	-	-	-	-	1,488	1,511
Public utility	5,125	5,205	6,237	7,402	6,284	5,652	6,080	6,413	6,918	9,953
Operating grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>93</u>
Total business-type activities program revenues	<u>5,125</u>	<u>5,205</u>	<u>6,237</u>	<u>7,402</u>	<u>6,284</u>	<u>6,320</u>	<u>6,125</u>	<u>6,413</u>	<u>8,406</u>	<u>11,557</u>
Total primary government program revenues	\$ <u>12,772</u>	<u>14,600</u>	<u>12,998</u>	<u>14,056</u>	<u>12,159</u>	<u>12,082</u>	<u>20,661</u>	<u>20,512</u>	<u>23,112</u>	<u>18,862</u>
<u>NET (EXPENSE)/REVENUE</u>										
Governmental activities	\$ (17,013)	(19,728)	(19,701)	(19,605)	(24,309)	(25,012)	(14,672)	(15,837)	(19,812)	(23,476)
Business-type activities	<u>525</u>	<u>356</u>	<u>139</u>	<u>2,171</u>	<u>967</u>	<u>151</u>	<u>602</u>	<u>(1,161)</u>	<u>(366)</u>	<u>(538)</u>
Total primary government net expense	\$ <u>(16,488)</u>	<u>(19,372)</u>	<u>(19,562)</u>	<u>(17,434)</u>	<u>(23,342)</u>	<u>(24,861)</u>	<u>(14,070)</u>	<u>(16,998)</u>	<u>(20,178)</u>	<u>(24,014)</u>

(continued)

CITY OF RIDGELAND, MISSISSIPPI
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Intergovernmental/unrestricted	\$ 10,619	10,808	11,076	11,281	10,194	10,361	11,424	11,288	13,788	15,198
Taxes:										
Property taxes	7,003	7,382	7,474	6,745	10,089	10,254	9,176	8,695	9,362	9,662
Other taxes	994	1,114	1,222	554	586	613	607	615	632	1,688
Unrestricted investment income	1,112	971	632	1,001	287	363	316	306	197	212
Other	3,931	3,586	2,027	2,000	1,605	4,282	1,836	2,486	615	121
Transfers	-	-	-	(30)	-	189	133	-	236	-
Total governmental activities	<u>23,659</u>	<u>23,861</u>	<u>22,431</u>	<u>21,551</u>	<u>22,761</u>	<u>26,062</u>	<u>23,492</u>	<u>23,390</u>	<u>24,830</u>	<u>26,881</u>
Business-type activities:										
Unrestricted investment income	383	568	570	243	168	77	52	39	56	77
Other	595	433	348	6	235	365	(26)	127	85	84
Transfers	-	-	-	30	-	(189)	(133)	-	(236)	-
Total business-type activities	<u>978</u>	<u>1,001</u>	<u>918</u>	<u>279</u>	<u>403</u>	<u>253</u>	<u>(107)</u>	<u>166</u>	<u>(95)</u>	<u>161</u>
Total primary government	<u>\$ 24,637</u>	<u>24,862</u>	<u>23,349</u>	<u>21,830</u>	<u>23,164</u>	<u>26,315</u>	<u>23,385</u>	<u>23,556</u>	<u>24,735</u>	<u>27,042</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 6,646	4,133	2,730	1,946	(1,548)	1,050	8,820	7,553	5,018	3,405
Business-type activities	1,503	1,357	1,057	2,450	1,370	404	495	(995)	(461)	(377)
Total primary government	<u>\$ 8,149</u>	<u>5,490</u>	<u>3,787</u>	<u>4,396</u>	<u>(178)</u>	<u>1,454</u>	<u>9,315</u>	<u>6,558</u>	<u>4,557</u>	<u>3,028</u>

Source: Audited Financial Statements

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CITY OF RIDGELAND, MISSISSIPPI
TABLE 3
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES:											
Taxes	\$	17,598	18,164	18,522	18,001	20,255	20,584	20,512	20,152	23,110	23,260
Franchise fees		1,013	1,035	1,155	1,059	1,160	1,122	1,126	1,273	1,367	1,245
Licenses, fees, and permits		407	701	323	255	280	294	362	379	382	392
Fines and forfeitures		1,125	1,050	1,290	2,075	1,442	1,316	1,698	1,241	2,350	1,905
Charges for services		1,588	1,532	1,562	2,157	1,780	1,797	1,968	2,142	847	797
Special assessments		36	202	8	21	74	44	43	46	44	46
Interest earned		1,108	971	581	998	286	361	316	242	141	212
Intergovernmental programs		4,175	5,561	1,858	1,251	1,551	2,702	9,191	7,863	5,962	6,554
Other revenue		912	523	212	180	130	193	(234)	190	348	117
Total revenues		<u>27,962</u>	<u>29,739</u>	<u>25,511</u>	<u>25,997</u>	<u>26,958</u>	<u>28,413</u>	<u>34,982</u>	<u>33,528</u>	<u>34,551</u>	<u>34,528</u>
EXPENDITURES:											
General government		3,183	3,386	2,960	3,398	3,479	3,390	3,391	3,784	4,821	5,217
Public safety		9,660	10,100	9,391	9,917	10,118	9,720	9,934	10,580	10,603	9,877
Court services		110	138	239	317	323	150	314	390	454	287
Public services		2,841	3,998	3,482	3,411	4,047	3,554	3,714	4,695	4,676	4,328
Sanitation		896	944	858	1,043	1,068	1,190	1,195	1,197	-	-
Health and welfare		56	50	54	29	45	39	31	50	55	54
Culture and recreation		1,959	2,302	2,061	2,112	2,108	2,090	2,184	2,377	2,191	2,159
Economic development and assistance		313	112	82	70	53	38	50	50	-	-
Capital outlay		5,698	7,261	4,271	3,962	5,674	1,231	7,846	6,844	8,023	4,551
Debt service:											
Debt issuance cost and other		-	-	-	-	-	-	-	-	25	365
Interest		1,246	2,032	1,384	1,315	3,290	4,720	2,618	2,044	2,293	2,250
Principal		2,486	2,907	3,219	2,818	3,212	3,473	3,259	2,869	2,199	3,827
Total expenditures		<u>28,448</u>	<u>33,230</u>	<u>28,001</u>	<u>28,392</u>	<u>33,417</u>	<u>29,595</u>	<u>34,536</u>	<u>34,880</u>	<u>35,340</u>	<u>32,915</u>
Excess of revenues over (under) expenditures	\$	<u>(486)</u>	<u>(3,491)</u>	<u>(2,490)</u>	<u>(2,395)</u>	<u>(6,459)</u>	<u>(1,182)</u>	<u>446</u>	<u>(1,352)</u>	<u>(789)</u>	<u>1,613</u>

(continued)

CITY OF RIDGELAND, MISSISSIPPI
TABLE 3
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
OTHER FINANCING SOURCES										
(USES):										
Issuance of bonds/loan proceeds	\$ 10,185	-	-	4,160	5,887	3,159	-	5,100	6,053	13,745
Payment to refunded debt escrow agent	-	-	-	(4,350)	-	114	-	-	(6,230)	-
Premium on bonds	-	-	-	273	-	(3,240)	-	-	176	174
Debt service principal	-	-	-	-	-	-	-	-	-	(1,814)
Sale of assets	48	48	36	212	38	45	33	24	88	40
Inception of capital leases	-	-	-	-	-	-	-	-	80	65
Transfers from other funds	4,931	1,355	1,173	10,984	1,119	1,397	410	11,550	4,856	11,137
Transfers to other funds	<u>(4,931)</u>	<u>(1,355)</u>	<u>(1,173)</u>	<u>(11,014)</u>	<u>(1,119)</u>	<u>(1,209)</u>	<u>(427)</u>	<u>(11,550)</u>	<u>(4,856)</u>	<u>(11,137)</u>
Total other financing sources (uses)	<u>10,233</u>	<u>48</u>	<u>36</u>	<u>265</u>	<u>5,925</u>	<u>266</u>	<u>16</u>	<u>5,124</u>	<u>167</u>	<u>12,210</u>
Net change in fund balances	\$ <u>9,747</u>	<u>(3,443)</u>	<u>(2,454)</u>	<u>(2,130)</u>	<u>(534)</u>	<u>(916)</u>	<u>462</u>	<u>3,772</u>	<u>(622)</u>	<u>13,823</u>
Debt service as a percentage of noncapital expenditures	<u>17.21%</u>	<u>19.07%</u>	<u>20.14%</u>	<u>17.72%</u>	<u>24.34%</u>	<u>29.52%</u>	<u>22.68%</u>	<u>18.24%</u>	<u>17.23%</u>	<u>23.11%</u>

Source: Audited Financial Statements

* Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 4
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	General <i>Government</i>	Public Safety	Court Services	Public Works	Sanitation	Health and Welfare	Culture and Recreation	Economic Development	Capital Outlay	Debt Service	Total
2007	\$ 3,183	\$ 9,660	\$ 110	\$ 2,841	\$ 896	\$ 56	\$ 1,959	\$ 313	\$ 5,698	\$ 3,732	\$ 28,448
2008	3,386	10,100	138	3,998	944	50	2,302	112	7,261	4,939	33,230
2009	2,960	9,391	239	3,482	858	54	2,061	82	4,271	4,603	28,001
2010	3,398	9,917	317	3,411	1,043	29	2,112	70	3,962	4,133	28,392
2011	3,479	10,118	323	4,047	1,068	45	2,108	53	5,674	6,502	33,417
2012	3,390	9,720	150	3,554	1,190	39	2,090	38	1,231	8,193	29,595
2013	3,391	9,934	314	3,714	1,195	31	2,184	50	7,846	5,877	34,536
2014	3,784	10,580	390	4,695	1,197	50	2,377	50	6,844	4,913	34,880
2015	4,821	10,603	454	4,676	-	55	2,191	-	8,023	4,517	35,340
2016	5,217	9,877	287	4,328	-	54	2,159	-	4,551	6,442	32,915

Source: Audited Financial Statements

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 5
GENERAL GOVERNMENT TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes (1)</u>
2007	\$ 6,979	\$ 10,619
2008	7,357	10,807
2009	7,446	11,076
2010	7,139	11,281
2011	10,061	10,194
2012	10,223	10,361
2013	9,088	11,424
2014	8,659	11,493
2015	9,323	13,787
2016	9,662	13,598

Source: Audited Financial Statements

(1) Sales tax is not an "own-source revenue" of the City. Sales taxes are levied by the State of Mississippi at a rate of 7 percent. The State of Mississippi levies and collects all sales taxes in the state and remits 18.5 percent of the 7 percent levied to each municipality based on their portion of sales taxes generated from sales within the municipality. Principal payer information is not currently made available to the City of Ridgeland.

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 6
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>(1) Total Levy</u>	<u>Current Collections</u>	<u>% Current Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Tax Collections</u>	<u>Ratio Total Collected to Levy</u>
2007	\$ 7,196	\$ 7,182	99.8%	\$ 14	\$ 7,196	100.0%
2008	7,573	7,356	97.1%	217	7,573	100.0%
2009	7,017	6,869	97.9%	148	7,017	100.0%
2010	7,454	7,268	97.5%	186	7,454	100.0%
2011	7,977	7,822	98.1%	155	7,977	100.0%
2012	7,862	7,667	97.5%	195	7,862	100.0%
2013	8,723	8,641	99.1%	82	8,723	100.0%
2014	8,961	8,817	98.4%	144	8,961	100.0%
2015	9,571	9,316	97.3%	255	9,571	100.0%
2016	8,976	8,703	97.0%	-	8,703	97.0%

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

Source: Madison County Tax Collector Office

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 7
ASSESSED AND ACTUAL VALUE OF PROPERTY (1)
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Real Property		Personal Property		Utilities		Vehicles		Totals		% Assessed
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Increase (Decrease)
2007	\$ 244,475	\$ 1,787,098	\$ 58,038	\$ 386,920	\$ 5,612	\$ 37,413	\$ 56,359	\$ 187,863	\$ 364,484	\$ 2,399,295	12.5% (2)
2008	255,521	1,867,844	63,575	423,833	6,515	43,433	57,710	192,637	383,322	2,527,477	5.2%
2009	270,611	1,978,151	53,656	357,707	6,490	43,267	56,210	187,367	386,967	2,566,491	1.0%
2010	294,179	2,150,431	60,092	400,613	6,645	44,300	51,891	172,970	412,807	2,768,315	6.7%
2011	311,607	2,277,829	65,939	439,593	5,218	34,787	49,283	164,277	432,047	2,916,486	4.7%
2012	315,729	2,307,961	51,047	340,313	5,613	37,420	48,298	160,993	420,687	2,846,687	-2.6%
2013	318,905	2,331,177	54,693	364,620	7,063	47,087	48,691	162,303	429,352	2,905,187	2.1%
2014	322,443	2,357,039	52,537	350,247	9,497	63,313	50,386	167,953	434,863	2,938,553	1.3%
2015	336,960	2,463,158	49,511	330,073	10,296	68,640	52,299	174,330	449,066	3,036,201	3.3%
2016	340,051	2,485,753	50,028	333,520	9,479	63,193	53,041	176,803	452,599	3,059,270	0.8%

(1) Assessment rates are as follows:

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

Personal Property - Assessed at 15% of actual value.

Utilities - Assessed at 15% of actual value.

Vehicles - Assessed at 30% of actual value.

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

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

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

Source: Madison County Tax Assessor



CITY OF RIDGELAND, MISSISSIPPI
TABLE 8
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>City of Ridgeland</u>			<u>Madison County</u>			<u>School District</u>			<u>Grand</u>
<u>Fiscal</u> <u>Year</u>	<u>Operating</u> <u>Millage</u>	<u>Debt</u> <u>Millage</u>	<u>Total</u> <u>Millage</u>	<u>Operating</u> <u>Millage</u>	<u>Debt</u> <u>Millage</u>	<u>Total</u> <u>Millage</u>	<u>Operating</u> <u>Millage</u>	<u>Debt</u> <u>Millage</u>	<u>Total</u> <u>Millage</u>	<u>Total</u> <u>Millage</u>
2007	10.02	10.01	20.03	29.23	3.07	32.30	41.07	13.48	54.55	106.88
2008	10.02	10.01	20.03	28.96	3.30	32.26	42.05	12.50	54.55	106.84
2009	10.02	10.01	20.03	32.20	3.36	35.56	42.05	12.50	54.55	110.14
2010	10.02	10.01	20.03	32.40	3.23	35.63	41.65	12.90	54.55	110.21
2011	11.27	8.76	20.03	32.36	3.27	35.63	40.99	13.56	54.55	110.21
2012	11.27	8.76	20.03	32.36	3.27	35.63	41.57	12.98	54.55	110.21
2013	11.27	8.76	20.03	34.86	3.27	38.13	43.55	11.00	54.55	112.71
2014	11.27	8.76	20.03	34.06	4.07	38.13	43.55	11.00	54.55	112.71
2015	11.27	8.76	20.03	34.06	4.07	38.13	45.55	9.00	54.55	112.71
2016	11.27	8.76	20.03	33.81	4.32	38.13	46.55	8.00	54.55	112.71

Source: Madison County Tax Assessor's Office

CITY OF RIDGELAND, MISSISSIPPI
TABLE 9
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

Taxpayer	2016				2007			
	Type of Business	Assessed Valuation	Rank	% of Total Assessed Valuation	Type of Business	Assessed Valuation	Rank	% of Total Assessed Valuation
Renaissance at Colony Park, LLC	Lifestyle Center	\$ 11,144	1	2.79%				
Entergy Mississippi Inc.	Energy	9,164	2	2.29%				
Northpark Mall LP	Shopping Mall	8,195	3	2.05%		7,565	1	2.46%
200 Renaissance, LLC	Office Building	7,522	4	1.88%				
Trace Apartment, LP	Apartments	4,932	5	1.23%				
Cellular South (S3)	Phone	4,921	6	1.23%				
300 Renaissance, LLC	Office Building	4,771	7	1.19%				
Southern Farm Bureau Casualty Insurance	Insurance	3,080	8	0.77%		2,570	4	0.83%
Legacy Park Apartments, LLC	Apartments	2,823	9	0.71%		2,921	2	0.95%
Natchez Trace - BH, LLC	Apartments	2,657	10	0.66%				0.00%
Jackson Residential Associates					Real Estate	2,579	3	0.84%
Colonial Realty, LP					Apartments	2,540	5	0.82%
Diversified Technology, Inc.					Technology	2,292	6	0.74%
Sunchase of Ridgeland, Ltd.					Apartments	2,226	7	0.72%
Mid-America Capital Partners, LP					Apartments	2,065	8	0.67%
Lowe's Home Centers, Inc.					Store	1,908	9	0.62%
Madison Apartments the LLC		-			Apartments	1,852	10	0.60%
Total taxable assessed value of 10 largest taxpayers		59,209		14.82%		28,518		9.26%
Total taxable assessed value of other taxpayers		340,349		85.18%		279,607		90.74%
Total taxable assessed value of all taxpayers		\$ 399,558		100.00%		\$ 308,125		100.00%

Source: Madison County Tax Assessor's Office.

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CITY OF RIDGELAND, MISSISSIPPI
TABLE 10
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Billing</u>	<u>Current Collection (1)</u>	<u>Ratio of Collection to Amount Due</u>	<u>Assessments</u>	<u>Total Outstanding Assessments</u>
2007	\$ 1,003,889	\$ 134,151	\$ 127,723	95%	\$ -	\$ 876,166
2008	876,166	143,093	120,977	85%	-	755,189
2009	755,189	131,237	73,979	56%	-	681,210
2010	681,210	120,977	120,977	100%	-	560,233
2011	560,233	120,977	167,974	139%	-	392,259
2012	392,259	120,977	165,975	137%	-	226,284
2013	226,284	46,997	46,997	100%	-	179,287
2014	179,287	46,997	46,997	100%	-	132,290
2015	132,290	46,997	46,997	100%	-	85,293
2016	85,293	46,997	13,380	28%	-	71,913

(1) Includes prepayments

Source: City of Ridgeland

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 11
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)
CURRENT AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Jurisdiction</u>	<u>(2) Net General Obligation Bonded Debt Outstanding</u>	<u>(3) Percentage Applicable to Ridgeland</u>	<u>Amount Applicable to Ridgeland</u>
Direct:				
2016	City of Ridgeland	\$ 57,403	100.00%	57,403
Overlapping:				
2016	Madison County	79,280	37.40%	29,651
2016	Madison County Schools	<u>75,587</u>	37.40%	<u>28,270</u>
Total Overlapping		<u>154,867</u>		<u>57,921</u>
Total Direct and Overlapping		\$ <u>212,270</u>		<u>115,324</u>
Direct:				
2007	City of Ridgeland	\$ 16,915	100.00%	16,915
Overlapping:				
2007	Madison County	68,675	37.40%	25,684
2007	Madison County Schools	<u>96,160</u>	37.40%	<u>35,964</u>
Total Overlapping		<u>164,835</u>		<u>61,648</u>
Total Direct and Overlapping		\$ <u>181,750</u>		<u>78,563</u>

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

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

(3) The percentage used for overlapping debt is based on population.

Source: Madison County School District, Madison County

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 12
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita
	General Obligation Bonds (net of premiums)	Limited Obligation Bonds (net of premiums and discounts)	Notes and Capital Lease Obligations	General Obligation Bonds (net of premiums)	Notes			
2007	\$ 27,287	\$ 5,260	\$ 1,476	\$ 9,420	\$ 3,078	\$ 46,521	6.60%	\$ 2,156
2008	24,880	4,898	1,225	9,035	2,884	42,922	4.93%	1,838
2009	22,368	4,512	788	8,631	4,000	40,299	4.45%	1,764
2010	20,233	4,101	7,559	8,315	8,609	48,817	6.05%	2,249
2011	24,014	27,423	6,617	11,631	4,364	74,049	8.52%	3,079
2012	21,349	35,986	5,853	11,094	5,687	79,969	9.26%	3,251
2013	18,416	34,313	5,459	10,528	5,297	74,013	8.24%	3,016
2014	20,979	32,561	5,059	9,952	4,896	73,447	8.38%	2,987
2015	18,995	31,002	4,843	9,168	4,518	68,526	7.89%	2,829
2016	29,174	29,354	5,260	8,456	4,680	76,924	8.81%	3,159

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

(a) See Table 19 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 13
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed value of property	\$364,484	\$383,322	\$386,967	\$412,807	\$432,047	\$420,687	\$429,352	\$434,863	\$449,066	\$452,599
Debt limit, 15% of assessed valuation	54,673	57,498	58,045	61,921	64,807	63,103	64,403	65,229	67,360	67,890
Amount of debt applicable to limit:										
General obligation bonds	27,287	24,880	22,368	20,233	24,014	21,349	18,416	20,979	18,995	29,174
Less:										
Special assessment bonds	<u>713</u>	<u>595</u>	<u>295</u>	<u>265</u>	<u>230</u>	<u>195</u>	<u>160</u>	<u>120</u>	<u>80</u>	<u>40</u>
Total net debt applicable to limit (a)-(b)	26,574	24,285	22,073	19,968	23,784	21,154	18,256	20,859	18,915	29,134
Legal debt margin	<u>\$ 28,099</u>	<u>33,213</u>	<u>35,972</u>	<u>41,953</u>	<u>41,023</u>	<u>41,949</u>	<u>46,147</u>	<u>44,370</u>	<u>48,445</u>	<u>38,756</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>48.61%</u>	<u>42.24%</u>	<u>38.03%</u>	<u>32.25%</u>	<u>36.70%</u>	<u>33.52%</u>	<u>28.35%</u>	<u>31.98%</u>	<u>28.08%</u>	<u>42.91%</u>

Source: City of Ridgeland.

* Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI

TABLE 14

**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Per Capita (4)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2007	21.6	364,484	27,287	2,486	24,801	1,148	6.80%
2008	23.3	383,321	24,880	2,194	22,686	974	5.92%
2009	22.8	386,967	22,368	2,564	19,804	869	5.12%
2010	21.7	412,807	20,233	1,738	18,495	852	4.48%
2011	24.0	432,047	24,014	1,169	22,845	952	5.29%
2012	24.5	420,687	21,349	275	21,074	860	5.01%
2013	24.5	429,352	18,416	-	18,416	752	4.29%
2014	24.6	434,863	20,979	-	20,979	853	4.82%
2015	24.2	449,066	18,995	463	18,532	766	4.13%
2016	24.3	452,599	29,174	1,318	27,856	1,146	6.15%

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

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

(2) From Table 7.

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

(4) Expressed in actual dollars.

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI

TABLE 15

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2007	\$ 2,110	\$ 592	\$ 2,702	\$ 28,448	9.50%
2008	2,907	2,012	4,919	33,230	14.80%
2009	3,218	1,384	4,602	28,001	16.44%
2010	2,218	935	3,153	28,392	11.11%
2011	3,212	3,194	6,406	33,417	19.17%
2012	3,474	4,627	8,101	29,595	27.37%
2013	3,258	2,606	5,864	34,536	16.98%
2014	2,869	1,916	4,785	34,880	13.72%
2015	2,199	2,293	4,492	35,340	12.71%
2016	3,826	2,250	6,076	32,915	18.46%

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

Source: Audited Financial Statements

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 16
PLEDGED REVENUES
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Utility Revenue Notes

Fiscal Year	Water & Sewer Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$ 5,721	\$ 3,454	\$ 2,266	\$ 243	\$ 148	\$ 392	5.79
2008	5,596	3,536	2,060	248	118	366	5.62
2009	6,585	5,205	1,381	253	81	335	4.12
2010	7,402	3,770	3,632	336	76	412	8.82
2011	6,284	3,510	2,774	208	79	287	9.66
2012	6,001	4,192	1,810	289	97	387	4.68
2013	6,080	3,720	2,360	298	95	393	6.01
2014	6,412	5,700	712	308	79	387	1.84
2015	6,919	5,468	1,451	317	69	386	3.76
2016	6,924	5,344	1,580	327	59	386	4.09

(1) Total operating expenses exclusive of depreciation and amortization expense.

Limited Obligation Bonds

Fiscal Year	Pledged Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ -	\$ 325	\$ 359	\$ 684	-
2008	225	342	337	679	0.33
2009	691	366	313	679	1.02
2010	2,108	1,256	1,374	2,630	0.80
2011	2,120	1,263	1,633	2,896	0.73
2012	3,554	1,622	1,906	3,528	1.04
2013	3,158	1,663	1,832	3,495	0.90
2014	3,200	1,741	1,240	2,981	1.07
2015	2,593	1,549	1,688	3,236	0.80
2016	4,299	1,675	1,558	3,233	1.33

Source: Audited Financial Statements

*Amounts prior to 2016 have not been updated to reflect the effect of current year prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 17
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	County School Enrollment	Unemployment Rate
2007	21,577	\$ 705,028	\$ 32,675	33.9	10,777	4.5%
2008	23,347	871,170	37,314	33.5	10,896	5.8%
2009	22,849	904,957	39,606	32.0	11,487	6.3%
2010	21,708	807,538	37,200	34.4	11,575	5.7%
2011	24,047	869,299	36,150	34.4	12,159	7.6%
2012	24,596	863,147	35,093	34.4	11,811	6.5%
2013	24,542	898,360	36,605	34.2	12,182	6.3%
2014	24,592	876,852	35,656	35.1	12,506	5.3%
2015	24,221	868,783	35,869	33.7	12,772	4.2%
2016	24,351	873,446	35,869	33.7	13,075	4.4%

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

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CITY OF RIDGELAND, MISSISSIPPI
TABLE 18
EDUCATION RELATED INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Vocational Schools</u>	<u>Junior College</u>	<u>Total County Enrollment</u>
2007	2	1	1	1	1	10,777
2008	2	1	1	1	1	10,896
2009	2	1	1	1	1	11,487
2010	2	1	1	1	1	11,575
2011	2	1	1	1	1	12,159
2012	2	1	1	1	1	11,811
2013	2	1	1	1	1	12,182
2014	2	1	1	1	1	12,506
2015	2	1	1	1	1	12,772
2016	2	1	1	1	1	13,075

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI

TABLE 19

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	(2) Rank	Percentage of Total Employment (1)
C-Spire	650	1	2.77%	-	-	-
Madison County Schools	530	2	2.26%	-	-	-
Butler, Snow	335	3	1.43%	-	-	-
Bankplus	334	4	1.42%	-	-	-
Wal-Mart Superstore	298	5	1.27%	-	-	-
City of Ridgeland	265	6	1.13%	-	-	-
AT & T Mobility	216	7	0.92%	-	-	-
The Orchard	209	8	0.89%	-	-	-
Horne LLP	206	9	0.88%	-	-	-
MidSouth Staffing	160	10	0.68%	-	-	-
Southern Farm Bureau	-	-	0.00%	300	1	-
Diversified Technology	-	-	0.00%	150	2	-
Gulf South Medical Supply	-	-	0.00%	150	3	-
Total	<u>3,203</u>		<u>13.65%</u>	<u>600</u>		<u>-</u>

Source: Mississippi Department of Employment Security, City of Ridgeland, Individual companies

(1) Information was unavailable.

(2) The only information available for 2007 was the top 3 Employers.

CITY OF RIDGELAND, MISSISSIPPI

TABLE 20

**CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS**

Calendar Year	Non-Residential		Residential					% Change
	Number of Permits	Value	Number of Permits	Increase in Family Units		Alterations	Total Value	
					Value			
2007	82	\$ 113,835,355	64	85	\$ 23,161,129	\$ 13,705,514	\$ 150,701,998	92.6%
2008	52	98,851,015	51	51	25,949,725	34,013,832	158,814,572	5.4%
2009	23	8,346,951	92	15	10,004,903	24,531,298	42,883,152	-73.0%
2010	121	35,232,777	98	22	9,708,872	3,194,853	48,136,502	12.3%
2011	123	32,456,381	132	24	11,875,900	1,976,448	46,308,729	-3.8%
2012	104	17,876,323	196	35	18,368,500	2,706,690	38,951,513	-15.9%
2013	142	31,872,286	143	35	14,774,347	2,866,873	49,513,506	27.1%
2014	120	35,128,920	202	77	29,655,431	4,225,193	69,009,544	39.4%
2015	100	29,085,782	207	89	33,605,562	2,516,427	65,207,771	-5.5%
2016	90	31,713,316	224	62	26,517,126	3,115,667	61,346,109	-5.9%

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI
TABLE 21
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Real Property Value (2)	Non-Residential Construction (1)		Residential Construction (1)		Additions/ Alterations (1)	
		Number of Units	Value	Number of Units	Value	Number of Units	Value
2007	\$ 1,787,098	82	\$ 113,835	85	\$ 23,161	209	\$ 13,706
2008	1,867,844	52	98,851	51	25,950	*	34,014
2009	1,978,151	23	8,347	15	10,005	93	24,531
2010	2,150,431	121	35,233	22	9,709	76	3,195
2011	2,277,829	123	32,456	24	11,876	108	1,976
2012	2,307,961	104	17,876	35	18,369	161	2,707
2013	2,331,177	142	31,872	35	14,774	108	2,867
2014	2,357,039	120	35,129	77	29,655	125	4,225
2015	2,463,158	100	29,086	89	33,606	118	2,516
2016	2,485,753	90	31,713	62	26,517	162	3,116

(1) From Table 16

(2) Total estimated actual value from Table 7

Source: City of Ridgeland

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

CITY OF RIDGELAND, MISSISSIPPI
TABLE 22
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	18	15	15	15	22	42	42	42	42	42
Public safety (1)	143	152	151	156	159	151	147	147	147	150
Public services	60	62	59	83	71	60	60	60	60	60
Culture and recreation	<u>14</u>	<u>13</u>	<u>13</u>	<u>12</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total	<u>235</u>	<u>242</u>	<u>238</u>	<u>266</u>	<u>266</u>	<u>266</u>	<u>262</u>	<u>262</u>	<u>262</u>	<u>265</u>

Source: City of Ridgeland

Notes:

(1) Includes Fire and Police

CITY OF RIDGELAND, MISSISSIPPI
TABLE 23
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government:										
Building permits issued*	146	103	115	219	255	300	285	322	307	314
Building inspections conducted	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police:										
Arrests	2,664	3,511	3,730	3,302	3,447	3,393	3,735	3,817	3,619	3,764
Traffic violations	12,095	11,987	14,277	11,971	14,734	12,980	11,968	12,266	15,738	13,412
Parking violations	183	169	118	106	81	96	103	100	86	125
Fire:										
Number of emergency calls answered	2,198	2,231	2,245	2,348	2,030	2,022	2,697	2,642	2,968	2,826
Number of inspections conducted	608	540	1,037	866	900	639	476	615	662	1,136
Fire insurance rating	5	5	5	5	5	5	5	5	5	5
Public Services:										
Centerline miles of road maintained:										
City	**	**	140	140	140	142	223	225	227	227
Street resurfacing (miles)	**	**	**	**	**	**	**	**	**	**
Potholes repaired	**	**	**	**	**	**	**	**	**	**
Sanitation:										
Water:										
Service connections	7,831	7,831	7,720	7,720	7,720	7,712	8,478	8,470	8,828	8,828
Water main breaks	**	**	3	6	6	-	-	-	-	-
Average daily consumption (thousands of gallons)	4,000	4,000	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Number of fire hydrants	860	860	870	910	935	940	940	948	987	987
Sewer:										
Average daily sewage treatment (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Culture and recreation:										
Library:										
Volumes in collection	**	**	**	**	**	**	**	**	**	**
Total volumes borrowed	**	**	**	**	**	**	**	**	**	**
Parks:										
Athletic field permits issued	**	**	**	**	**	**	**	**	**	**

* Totals include Residential and Nonresidential

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

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

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI
TABLE 24
CAPITAL ASSETS INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Patrol units	56	61	62	64	71	70	68	74	75	74
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Public services:										
Street miles	162	162	162	162	162	164	233	239	230	230
Street lights	1,200	1,200	1,200	1,200	1,248	1,250	1,320	1,325	1,325	1,325
Traffic signals	40	40	42	42	42	42	42	44	49	49
Sanitation:										
Water:										
Water mains (miles)	150	150	155	165	165	166	166	175	200	200
Storage capacity (thousands of gallons)	2,800	2,800	2,800	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Sewer:										
Sanitary sewers (miles)	**	180	180	190	190	191	191	195	220	220
Storm sewers (miles)	**	150	150	150	150	150	150	155	155	155
Treatment capacity (thousands of gallons)	*	*	*	*	*	*	*	*	*	*
Refuse collection:										
Collection trucks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Park acreage	250	250	250	250	250	250	250	250	250	250
Golf courses	-	-	-	-	-	-	-	-	-	-
Community centers	1	1	1	1	1	1	1	1	1	1
Recreational trail miles	**	**	7	7	7	7	7	17	18	18

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

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

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

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI
TABLE 25
MISCELLANEOUS STATISTICS

Date of incorporation	1899	Average selling price of homes	\$	179,000
Form of government	Mayor/Aldermen	Median income - household		55,012
Population (estimated census)	24,592			
Area in square miles	21	Major highways		1
Number of employees (excluding police and fire):				
Classified	145	Railroads		Canadian Nt. - Illinois Central
Exempt	21			
City of Ridgeland facilities and services:		Nearest commercial airport:		Jackson International, 18 miles
Culture and recreation:				Runway length 8,500 feet
Ballfields	11			
Tennis courts	17	Nearest general airport:		Bruce Campbell Field, 3 miles
Soccer fields	8			Runway length 4,444 feet
Police protection:				
Number of sworn officers	70	Nearest full-service port:		Port of Vicksburg, 55 miles
Number of residents per sworn officer	328			Name of waterway - Mississippi River
Water system:				
Maximum capacity in gallons per minutes	6,166			
Other statistics:				
Percentage of population (>25 yrs.) with at least:				
High school diploma	94.8%			
Bachelor's degree	49.5%			

Source: City of Ridgeland
U.S. Census Bureau

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and Board of Aldermen
City of Ridgeland, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements, and have issued our report thereon dated April 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Ridgeland Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Ridgeland, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ridgeland, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. 2016-001.

Compliance and Other Matters

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

City of Ridgeland, Mississippi's Response to Findings

City of Ridgeland, Mississippi's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Ridgeland, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Haddock Reid Eubank Betts PLLC

Jackson, Mississippi
April 26, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Board of Aldermen
City of Ridgeland, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Ridgeland, Mississippi's compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Ridgeland, Mississippi's major federal program for the year ended September 30, 2016. City of Ridgeland, Mississippi's major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Ridgeland, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ridgeland, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Ridgeland, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2016.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi
April 26, 2017

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Federal Grantor / Pass-Through Grantor / Program Title / Grant Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Direct Program - Drug Enforcement Agency DEA State and Local Task Force Overtime Assignment	16.xxx	N/A	\$ 21,651
Direct Program - Bureau of Justice Assistance Bulletproof Vest Partnership Program	16.607	N/A	<u>4,979</u>
Total direct programs			<u>26,630</u>
Total U.S. Department of Justice			<u>26,630</u>
U.S. Department of Transportation			
Passed-through the Mississippi Department of Transportation			
Highway Planning and Construction	20.205	STP-8323-00-(004)	1,778,494
Highway Planning and Construction	20.205	STP-8323-00-(003)	2,903
Highway Planning and Construction	20.205	STP-0213-00(033)	<u>343,745</u>
Total passed-through the Mississippi Department of Transportation			<u>2,125,142</u>
Passed-through the Mississippi Department of Public Safety			
Alcohol Traffic Safety and Drunk Driving Prevention Measure Grant	20.607	154AL-2016-ST-23-01	<u>81,843</u>
Total passed-through the Mississippi Department of Public Safety			<u>81,843</u>
Total U.S. Department of Transportation			<u>2,206,985</u>
U.S. Environmental Protection Agency			
Passed-through the Mississippi Department of Environmental Quality			
Congressionally Mandated Projects	66.202	XP-95416710-3	<u>93,428</u>
Total passed-through the Mississippi Department of Environmental Quality			<u>93,428</u>

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED:
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor / Pass-Through Grantor / Program Title / <u>Grant Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency - continued:			
Passed-through the Mississippi State			
Department of Health			
Capitalization Grants for Drinking Water			
State Revolving Funds	66.468	DWI-L450013-02	\$ <u>289,605</u>
Total passed-through the Mississippi State			<u>289,605</u>
Department of Health			<u>289,605</u>
Total U.S. Environmental Protection Agency			<u>383,033</u>
Executive Office of the President			
Passed-through the Mississippi Bureau of Narcotics -			
Gulf Coast HIDTA			
High Intensity Drug Trafficking Area - State and			
Local Assistance	95.001	G14GC0003A	<u>43,397</u>
Total passed-through the Mississippi Bureau			<u>43,397</u>
of Narcotics			<u>43,397</u>
Total Executive Office of the President			<u>43,397</u>
U.S. Department of Homeland Security			
Passed-through the Mississippi Department of			
Public Safety			
ODP Homeland Security Grant	97.067	14HS316T	8,000
ODP Homeland Security Grant	97.067	15LE316	<u>27,000</u>
Total passed-through the Mississippi			<u>35,000</u>
Department of Public Safety			<u>35,000</u>
Total U.S. Department of Homeland Security			<u>35,000</u>
Total Expenditures of Federal Awards			\$ <u>2,695,045</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Ridgeland, Mississippi under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Ridgeland, Mississippi, it is not intended to and does not present the financial position, changes in net positions or cash flows of the City of Ridgeland, Mississippi.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for States, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City of Ridgeland, Mississippi has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
- (2) Pass-through entity identifying numbers are presented where available.



CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

(1) SUMMARY OF AUDIT RESULTS

Financial Statements:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Ridgeland, Mississippi were prepared in accordance with GAAP.
2. One material weakness disclosed during the audit of the financial statements is reported in the *"Independent Auditor's 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."*
3. No instances of noncompliance material to the financial statements of the City of Ridgeland, Mississippi, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *"Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."*
5. The auditor's report on compliance for the major federal award program for the City of Ridgeland, Mississippi expresses an unmodified opinion on its major federal program.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was: Highway Planning and Construction CFDA 20.205.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Ridgeland, Mississippi was determined to be a low-risk auditee.

(2) FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness:

2016-001 Financial Statement Adjustment and Disclosure

Condition: Audit procedures identified numerous errors which required material audit adjustments including the recording of prior period adjustments.

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED:
YEAR ENDED SEPTEMBER 30, 2016**

(2) FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness - continued:

2016-001 Financial Statement Adjustment and Disclosure - continued:

Criteria: The financial statements are the responsibility of the management of the City of Ridgeland, Mississippi. Therefore, all adjustments should be completed prior to the preparation of the financial statements.

Cause: There were no procedures in place to ensure the completeness and accuracy of data maintained for financial reporting in accordance with generally accepted accounting principles.

Effect: The City of Ridgeland, Mississippi's assets, liabilities, deferred inflows and outflows of resources, revenues and expenditures were materially misstated prior to posting the audit adjustments.

Recommendation: We recommend the implementation of policies and procedures to ensure that the financial statement amounts are reported in accordance with generally accepted accounting principles.

Views of Responsible Officers and Planned Corrective Action: Management will review all journal entries and coding as necessary to ensure proper recording. Management will prepare a year-end closing checklist to determine all necessary adjustments are made to ensure financial reporting in accordance with generally accepted accounting principles.

(3) FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

STATE COMPLIANCE SECTION

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

To the Honorable Mayor and Board of Aldermen
City of Ridgeland, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi as of and for the year ended September 30, 2016, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements and have issued our report thereon dated April 26, 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*, issued by the Comptroller General of the United States.

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

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

This report is intended solely for the information of the City's management, Board of Aldermen, Federal awarding agencies and pass-through entities, 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.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi
April 26, 2017

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