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

FISCAL YEAR ENDED SEPTEMBER 30, 2017

RECEIVED

MAR 26 2018

CITY OF D'IBERVILLE, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017
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SECTION I
INTRODUCTORY SECTION

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CITY OF D'IBERVILLE, MISSISSIPPI
LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Mayor

Rusty Quave

Councilman – Ward 1

Randall Pelous

Councilman – Ward 2

Henry Toncrey, Jr.

Councilman – Ward 3

Craig “Boots” Diaz

Councilman – Ward 4

Robby Ellis

Councilman – At Large

Joey Bosarge

APPOINTED OFFICIALS

City Manager

Clay Jones

City Clerk

Jodi Weise

Comptroller

Sharron Perkins

Police Chief

Wayne Payne

Fire Chief

Gerald Smith

Municipal Court Clerk

Patti Jackson

Economic Development Director

Public Works Director

Michael Mullins

Community Development Director

David “Hank” Rogers

Parks & Recreation Superintendent

Troy Saucier

Planning & Zoning Director

Cindy Feranda

LETTER OF TRANSMITTAL

CITY OF D'IBERVILLE

10383 AUTOMALL PARKWAY P.O. BOX 6519
D'IBERVILLE, MISSISSIPPI 39540-6519
228-392-7966 FAX: 228-392-9723

MAYOR: RUSTY QUAVE
CITY MANAGER: CLAY JONES
COUNCIL MEMBERS:
RANDALL PELOUS, WARD 1
HENRY TONCREY JR., WARD 2
CRAIG "BOOTS" DIAZ, WARD 3
ROBBY ELLIS, WARD 4
JOEY BOSARGE, COUNCILMAN-AT-LARGE

March 13, 2018

Mayor and City Council
City of D'Iberville, Mississippi

We are pleased to submit the Comprehensive Annual Financial Report of the City of D'Iberville for the fiscal year ended September 30, 2017. The Administration of the City of D'Iberville is responsible for the information presented in this report. We believe the accompanying information is accurate and complete and fairly presents the financial position of the municipal government of the City of D'Iberville as of September 30, 2017 and results of operations for the fiscal year then ended.

Control Environment

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

Budgetary Controls

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

Independent Audit

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

State Department of Audit regulations require the independent auditor to disclose any instance of non-compliance with certain state laws, that may come to their attention during the audit of the City's financial statements. The auditor must test for non-compliance with federal requirements applicable to each major federal program in which the City of D'Iberville receives federal financial assistance.

Management's Discussion and Analysis

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

Profile of the City of D'Iberville

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

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

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

Economic Condition and Outlook

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

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

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

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

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

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

Scarlet Pearl Casino, the City's first casino, opened its doors in December 2015. D'Iberville's share of gaming revenue for the first year that Scarlet Pearl was open was just over \$1,600,000. More casinos are on the horizon for D'Iberville. D'Iberville has been and will continue to be a bedroom community, resort/gaming destination and regional retail hub.

The Mississippi Department of Employment Security does not publish an unemployment rate for the City of D'Iberville. Since we are located in Harrison County, we feel that the County's unemployment rate is indicative of unemployment in our City. That rate dropped from 5.5% in September 2016 to 4.5% in September 2017.

Governmental Fund Revenues

Government funds are used to account for most City functions and operations including the various City departments, grants, capital projects, and the City's general obligation debt payments. Figure 1 illustrates the relative amounts of various general governmental revenues for the fiscal year 2017. The City's three largest sources of revenues for general government functions are sales tax, gaming tax, and ad valorem tax.

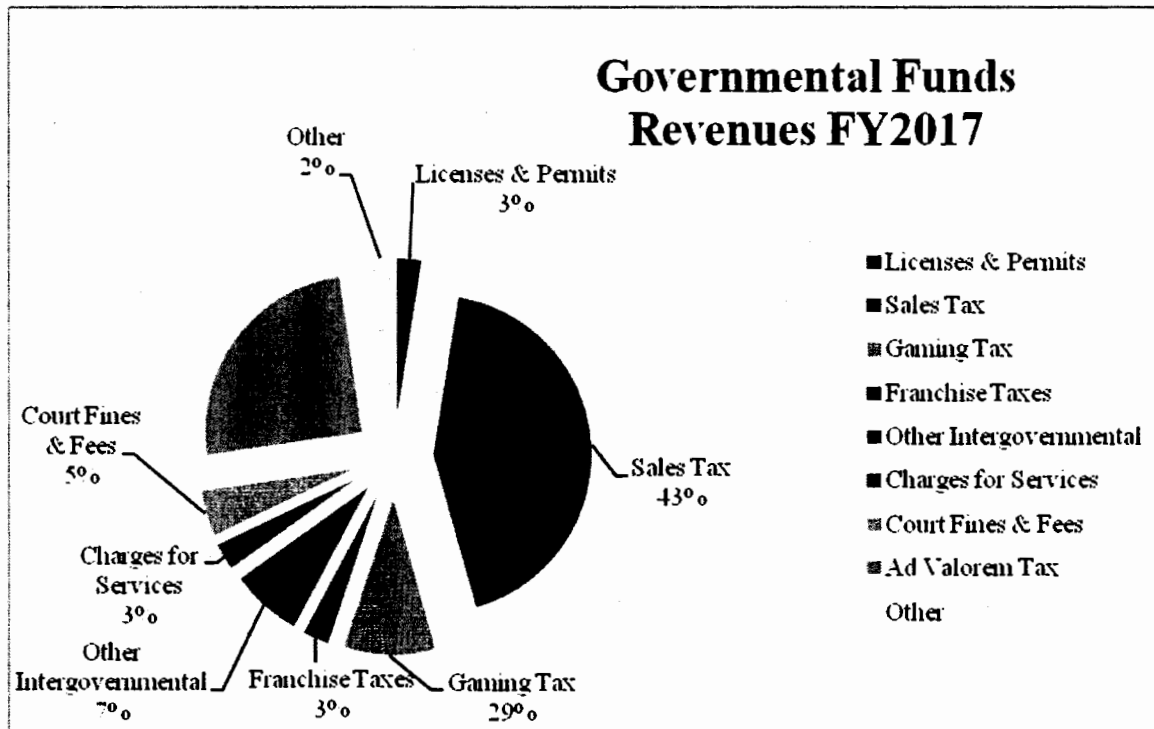


Figure 1

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

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

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

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

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

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

Figure 2 illustrates the relative amount of total expenditures for each service and function accounted for in the City's governmental funds for the fiscal year 2017. Capital outlay and public safety are the largest expenditure categories of the City's governmental funds in FY2017.

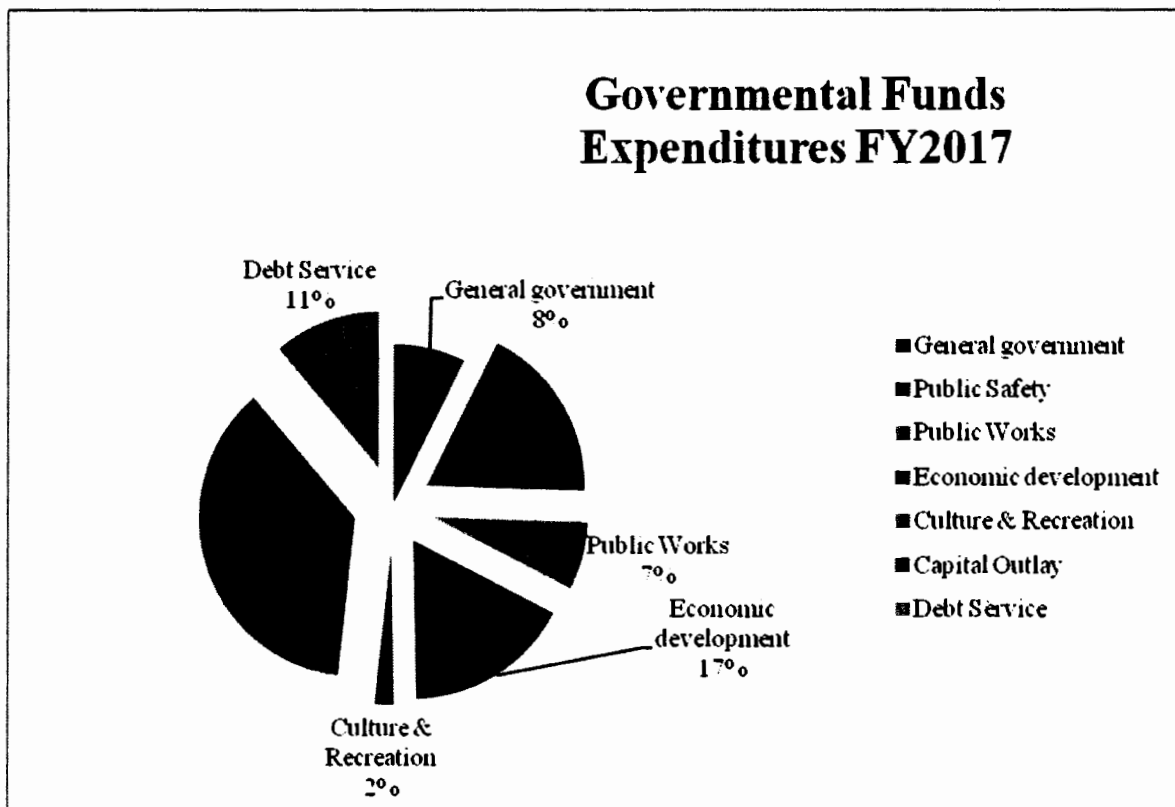


Figure 2

Debt Management

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

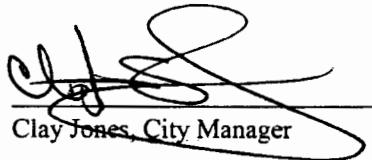
Cash Management

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

Major Initiatives

During FY2017, the City spent just over \$10,800,000 on capital outlay throughout the City, including land acquisition for road widening, equipment, and vehicles. Nearly \$6,000,000 of that amount was spent on the construction of the new sports complex on Hwy 15.

Respectfully submitted,

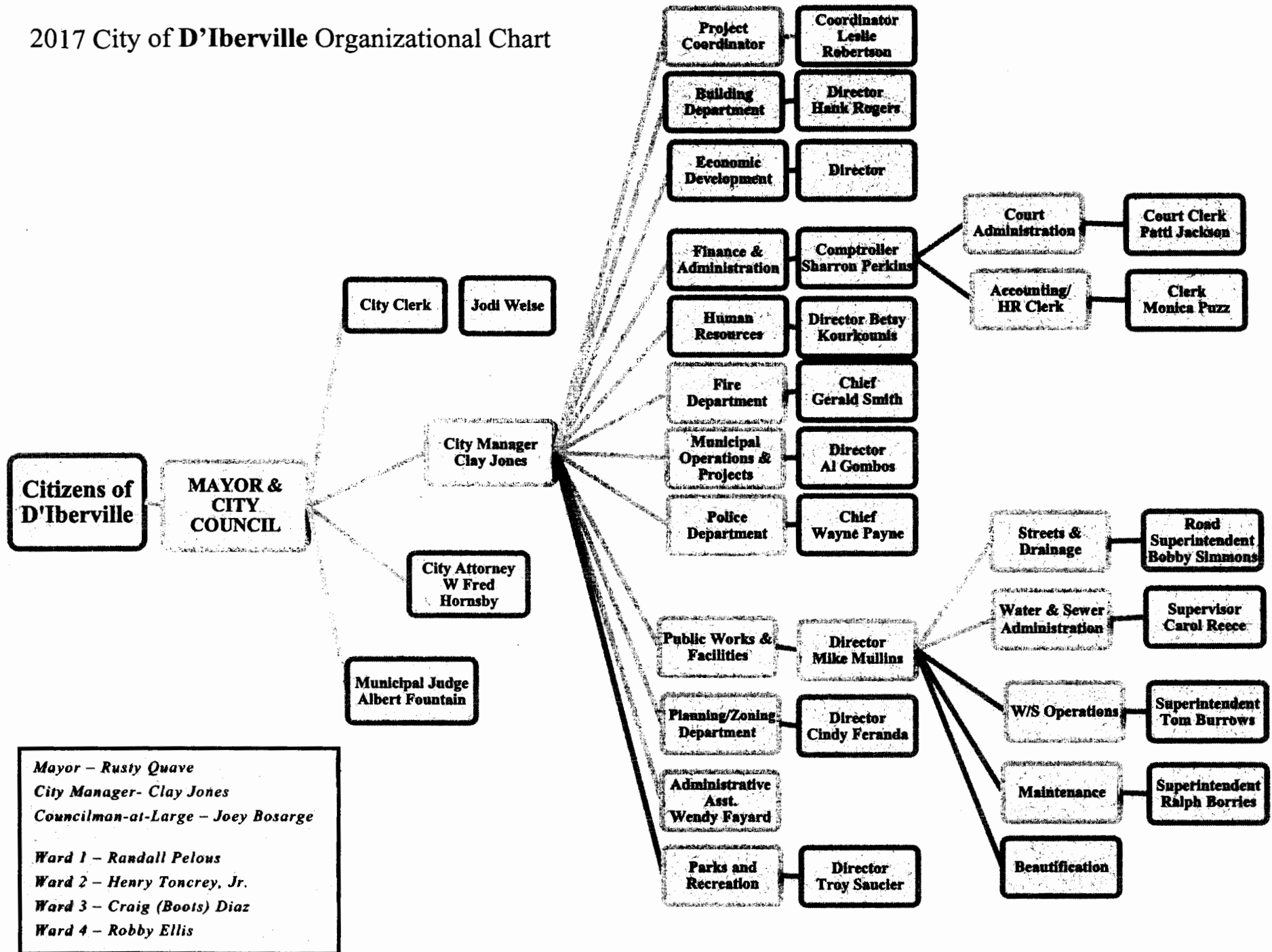


Clay Jones, City Manager



Sharron Perkins, Finance Director

2017 City of D'Iberville Organizational Chart



INDEPENDENT AUDITOR'S REPORT

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WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

Certified Public Accountants

HANCOCK BANK BUILDING

2510 - 14TH STREET

P.O. BOX 129

GULFPORT, MISSISSIPPI 39502

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INDEPENDENT AUDITOR'S REPORT

March 13, 2018

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of D'Iberville, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of D'Iberville, Mississippi, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-20, budgetary comparison information on pages 58-59 and the schedule of changes in the City's net pension and related ratios schedule on pages 60-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

In addition, the State of Mississippi requires municipalities submit a schedule of surety bonds maintained for city personnel in compliance with § 21-17-5 of Mississippi Code of 1972. This schedule has been presented on page 73. This schedule is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of surety bonds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2018, on our consideration of the City of D'Iberville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of D'Iberville, Mississippi's internal control over financial reporting and compliance.

Other Reporting Required by *State of Mississippi*

In accordance with the State of Mississippi, we have also issued our report dated March 13, 2018, on our consideration of the City of D'Iberville's compliance with state laws and regulations. The purpose of that report is to describe the scope of our testing of internal controls over compliance with state laws and regulations and the result of that testing, and not to provide an opinion on internal controls or compliance. That report is an integral part of an audit performed in accordance with state guidelines in considering the City of D'Iberville's internal control over financial reporting and compliance.

Walter Woodworth * *[Signature]*

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Introduction

The following Management's Discussion and Analysis of the City of D'Iberville's ("the City") activities and financial performance provides an introduction to the financial statements of the City for the fiscal year ended September 30, 2017. The information contained in this Management's Discussion and Analysis has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

The components of the annual financial report include:

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

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

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2017, by \$45,798,442.
- Net position of the City's governmental activities decreased by 20 percent, from \$30 million to \$24 million. *Unrestricted* net position changed from a \$3.8 million deficit at September 30, 2016, to a \$17 million deficit at the end of this year. *Unrestricted net* position reflects the component of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

This deficit in unrestricted governmental net position arose primarily because of two factors. First, during the fiscal year the City made cash purchases totaling \$10,848,441 of capital assets. Second, the City issued an additional \$10,820,000 TIF bond for the Racetrack Road redevelopment project which is not reflected in net investment in capital assets.

- The total net position decreased by \$3,524,998. Of this amount a decrease of \$5,921,369 was associated with governmental activities and an increase of \$2,396,371 with business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,838,891, a decrease of \$3,909,214 in comparison with the prior year's fund balance of \$11,748,105.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,929,542 or 27.3% of total general fund expenditures.

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**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

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

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Overview of the Financial Statements (Continued)

- **Governmental funds**

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

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

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

The basic governmental fund financial statements can be found on pages 22-25 of this report.

- **Proprietary Fund**

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

The proprietary fund financial statements can be found on pages 26-28 of this report.

Notes to the Financial Statements

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

Other Information

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

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Government-wide Condensed Data Financial Analysis

	City of D'Iberville's Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 14,070,581	\$ 17,879,981	\$ 4,802,936	\$ 5,246,552	\$ 18,873,517	\$ 23,126,533
Noncurrent assets	62,058,448	53,150,259	24,612,567	22,286,203	86,671,015	75,436,462
Total assets	<u>76,129,029</u>	<u>71,030,240</u>	<u>29,415,503</u>	<u>27,532,755</u>	<u>105,544,532</u>	<u>98,562,995</u>
Deferred Outflows of Resources						
Deferred amount on refunding	52,284	59,030	391,880	422,615	444,164	481,645
Deferred amount on pensions	2,131,636	2,773,921	263,461	404,283	2,395,097	3,178,204
Total deferred outflows of resources	<u>2,183,920</u>	<u>2,832,951</u>	<u>655,341</u>	<u>826,898</u>	<u>2,839,261</u>	<u>3,659,849</u>
Other liabilities	4,094,535	3,571,901	1,420,300	1,452,636	5,514,835	5,024,537
Long-term liabilities	45,387,358	36,027,543	6,832,132	7,531,067	52,219,490	43,558,610
Total liabilities	<u>49,481,893</u>	<u>39,599,444</u>	<u>8,252,432</u>	<u>8,983,703</u>	<u>57,734,325</u>	<u>48,583,147</u>
Deferred Inflows of Resources						
Deferred property tax revenue	4,321,631	4,211,088	-	-	4,321,631	4,211,088
Deferred amount on pensions	471,160	93,027	58,233	12,142	529,393	105,169
Total deferred inflows of resources	<u>4,792,791</u>	<u>4,304,115</u>	<u>58,233</u>	<u>12,142</u>	<u>4,851,024</u>	<u>4,316,257</u>
Net position						
Net investment in capital assets	40,595,730	33,618,225	18,949,964	16,190,048	59,545,694	49,808,273
Restricted - nonspendable	72,803	65,516	2,289	3,417	75,092	68,933
Restricted						
General government	37,446	37,075	-	-	37,446	37,075
Public safety	78,599	32,457	-	-	78,599	32,457
Debt service	-	-	-	-	-	-
Unrestricted	<u>(16,746,315)</u>	<u>(3,793,641)</u>	<u>2,807,926</u>	<u>3,170,343</u>	<u>(13,938,389)</u>	<u>(623,298)</u>
Total net position	<u>\$ 24,038,263</u>	<u>\$ 29,959,632</u>	<u>\$ 21,760,179</u>	<u>\$ 19,363,808</u>	<u>\$ 45,798,442</u>	<u>\$ 49,323,440</u>

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Government-wide Condensed Data Financial Analysis (Continued)

	City of D'Iberville's Change in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 1,610,077	\$ 1,589,107	\$ 4,142,199	\$ 4,136,009	\$ 5,752,276	\$ 5,725,116
Operating grants	422,380	446,028	-	-	422,380	446,028
Capital grants	880,117	1,093,470	322,894	155,411	1,203,011	1,248,881
Total program revenues	<u>2,912,574</u>	<u>3,128,605</u>	<u>4,465,093</u>	<u>4,291,420</u>	<u>7,377,667</u>	<u>7,420,025</u>
General revenues						
Property taxes	4,268,682	3,298,107	1,537	1,522	4,270,219	3,299,629
Sales taxes	7,365,967	7,384,265	-	-	7,365,967	7,384,265
Franchise taxes	459,140	466,922	-	-	459,140	466,922
Other	2,190,667	1,889,641	3,432	357	2,194,099	1,889,988
Total general revenues	<u>14,284,456</u>	<u>13,038,925</u>	<u>4,969</u>	<u>1,879</u>	<u>14,289,425</u>	<u>13,040,804</u>
Total revenues	<u>17,197,030</u>	<u>16,167,530</u>	<u>4,470,062</u>	<u>4,293,299</u>	<u>21,667,092</u>	<u>20,460,829</u>
Program expenditures						
General government	2,675,596	2,644,455	-	-	2,675,596	2,644,455
Public safety	7,200,959	6,197,523	-	-	7,200,959	6,197,523
Public works	3,154,330	3,388,586	-	-	3,154,330	3,388,586
Economic development	5,011,319	2,385,859	-	-	5,011,319	2,385,859
Culture and recreation	717,600	597,596	-	-	717,600	597,596
Interest	1,890,499	819,221	-	-	1,890,499	819,221
Bond issuance costs	-	92,872	-	-	-	92,872
Waterfront Development	-	-	177,710	272,627	177,710	272,627
Water and sewer	-	-	3,487,286	3,613,821	3,487,286	3,613,821
Total program expenditures	<u>20,650,303</u>	<u>16,126,112</u>	<u>3,664,996</u>	<u>3,886,448</u>	<u>24,315,299</u>	<u>20,012,560</u>
Change before transfers	(3,453,273)	41,418	805,066	406,851	(2,648,207)	448,269
Transfers	(1,591,305)	(627,939)	1,591,305	627,939	-	-
Change in net position	<u>(5,044,578)</u>	<u>(586,521)</u>	<u>2,396,371</u>	<u>1,034,790</u>	<u>(2,648,207)</u>	<u>448,269</u>
Special Item – Net loss on sale of capital assets	-	(37,918)	-	-	-	(37,918)
Beginning net position	29,959,632	30,584,071	19,363,808	18,329,018	49,323,440	48,913,089
Prior period adjustments	(876,791)	-	-	-	(876,791)	-
Beginning net position, restated	<u>29,082,841</u>	<u>30,584,071</u>	<u>19,363,808</u>	<u>18,329,018</u>	<u>48,446,649</u>	<u>48,913,089</u>
Ending net position	<u>\$ 24,038,263</u>	<u>\$ 29,959,632</u>	<u>\$ 21,760,179</u>	<u>\$ 19,363,808</u>	<u>\$ 45,798,442</u>	<u>\$ 49,323,440</u>

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**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Government-wide Condensed Data Financial Analysis (Continued)

At September 30, 2017 and September 30, 2016, the City's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$45,798,442, and \$49,323,440 respectively. The largest portion of the City's total net position reflects its net investment in capital assets, less any related debt used to acquire or construct those assets. That amount increased in 2017 by \$9,737,421 to \$59,545,694. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, representing resources that are subject to externally imposed restrictions, comprised .42% of total net position, as compared to .28% in the prior year. The remaining negative balance in the governmental activities represented unrestricted net position of \$16,746,315. A negative fund balance means that it would be necessary to convert restricted assets to unrestricted assets if all ongoing obligations were immediately due and payable. The positive balance of \$2,807,926 in the business-type activities may be used to meet ongoing obligations to citizens and creditors; however, internally imposed designations of certain resources further limit the purposes for which unrestricted net position can be used.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$7,838,891, a decrease of \$3,909,214 in comparison with the prior year. 62% or \$4,858,166 of this combined total is unassigned, while \$2,870,428 is restricted for capital projects, \$48 is restricted for debt service, \$37,446 is restricted for unemployment.

- **General Fund**

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. At the end of 2017, the general fund's unassigned fund balance represents 27.3% of total general fund expenditures.

- **Racetrack Road Redevelopment Fund**

This fund is used by the City to account for funds received by the City from the Tax Increment Financing Limited Obligation Bonds for the Racetrack Road Redevelopment Project. This project is for equipment and infrastructure improvements necessary for the construction and continued operation of the casino around Racetrack Road.

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Financial Analysis of the Government's Funds (Continued)

- **Non-Major Funds**

These are special revenue funds made up of various reimbursable grants that do not maintain any fund balances. The operating transfers into the funds totaling \$6,483,645 from the general fund represent the portion of the project costs that is the City's match.

Proprietary Funds

The Water & Sewer fund had an increase in net position totaling \$2,240,310 at the end of FY2017 and the Waterfront Development fund had a increase of \$156,061 for the year resulting in a net increase in proprietary funds of \$2,396,371 for the year ended September 30, 2017.

Budget Variances in the General Fund

Amendments to the original budget increased total appropriations by \$1,648,013 and were a result of an increase in personnel services in public safety as well as increases in personnel service and capital outlay in culture and recreation during the 2017 fiscal year; however actual expenditures were still under budget by \$2,055,004 at year end, as a result of a conservative fiscal management plan. Refer to the budgetary comparison schedule for the General Fund on page 56 in the RSI section of the annual report.

Capital Asset and Long-Term Debt Activity

Capital Asset Activity

At September 30, 2017, the City reported \$62,058,448 in net capital assets for governmental activities and \$24,612,567 in capital assets for business-type activities. Additional information on the City of D'Iberville's capital assets can be found in Note 5: Capital Assets on pages 39-40 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 15,604,919	\$ 13,421,051	\$ 465,207	\$ 356,080	\$ 16,070,126	\$ 13,777,131
Buildings & Improvements	15,721,344	16,296,364	1,971,561	1,921,507	17,692,905	18,217,871
Machinery & Equipment	2,620,808	2,868,260	279,055	173,439	2,899,863	3,041,699
Infrastructure & Systems	19,501,415	18,305,257	20,907,990	19,062,988	40,409,405	37,368,245
Construction in progress	8,609,962	2,259,327	988,754	772,189	9,598,716	3,031,516
Total	<u>\$ 62,058,448</u>	<u>\$ 53,150,259</u>	<u>\$ 24,612,567</u>	<u>\$ 22,286,203</u>	<u>\$ 86,671,015</u>	<u>\$ 75,436,462</u>

**CITY OF D'IBERVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Capital Asset and Long-Term Debt Activity (Continued)

Long-Term Debt Activity

At the end of the current fiscal year, the City had \$39,768,828 in outstanding debt excluding compensated absences. Additional information on the City of D'Iberville's long-term debt can be found in Note 6: Long-Term Debt on pages 41-46 of this report.

	General Obligation, Revenue Bonds and Other Loans					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Tax Increment Bonds	\$ 25,640,000	\$ 16,050,000	\$ -	\$ -	\$ 25,640,000	\$ 16,050,000
Revenue Bonds	-	-	4,980,000	5,545,000	\$ 4,980,000	\$ 5,545,000
Certificates of Participation	2,145,000	2,305,000	-	-	\$ 2,145,000	\$ 2,305,000
General Obligation Bond	2,480,000	2,480,000	-	-	\$ 2,480,000	\$ 2,480,000
Special Obligation Bond	3,195,000	3,360,000	-	-	\$ 3,195,000	\$ 3,360,000
Notes Payable	-	-	711,809	823,776	\$ 711,809	\$ 823,776
Leases Payable	617,019	685,956	-	-	\$ 617,019	\$ 685,956
Total	<u>\$ 34,077,019</u>	<u>\$ 24,880,956</u>	<u>\$ 5,691,809</u>	<u>\$ 6,368,776</u>	<u>\$ 39,768,828</u>	<u>\$ 31,249,732</u>

Contact the City's Financial Management

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

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

BASIC FINANCIAL STATEMENTS

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CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,227,717	\$ 3,135,835	\$ 8,363,552
Receivables			
Taxes receivable	5,652,075	-	5,652,075
Due from other governments	495,638	3,485	499,123
Accounts receivable, net of allowances for uncollectible	601,436	565,680	1,167,116
Prepaid items	72,803	2,289	75,092
Restricted cash and cash equivalents	2,020,912	1,095,647	3,116,559
Capital assets:			
Non-depreciable	24,214,881	1,453,961	25,668,842
Depreciable, net of accumulated depreciation	37,843,567	23,158,606	61,002,173
Total assets	<u>76,129,029</u>	<u>29,415,503</u>	<u>105,544,532</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	52,284	391,880	444,164
Deferred amount on pension	2,131,636	263,461	2,395,097
Total deferred outflows of resources	<u>2,183,920</u>	<u>655,341</u>	<u>2,839,261</u>
LIABILITIES			
Current liabilities:			
Accounts payable	401,743	60,960	462,703
Accrued wages payable	429,102	43,043	472,145
Due to other governments	144,775	-	144,775
Accrued interest	355,299	132,894	488,193
Retainage payable	151,914	-	151,914
Unearned revenue	259,488	-	259,488
Long-term liabilities (due within one year)			
Bonds payable	2,015,000	575,000	2,590,000
Certificates of participation payable	165,000	-	165,000
Capital leases payable	70,654	-	70,654
Notes payable	-	60,423	60,423
Compensated absences	101,560	11,630	113,190
Payable from restricted assets:			
Customer deposits	-	536,350	536,350
Total current liabilities	<u>4,094,535</u>	<u>1,420,300</u>	<u>5,514,835</u>
Noncurrent liabilities:			
Long-term debt:			
Bonds payable	29,031,382	4,477,216	33,508,598
Certificates of participation payable	1,980,000	-	1,980,000
Capital leases payable	546,365	-	546,365
Notes payable	-	651,386	651,386
Compensated absences	366,324	39,528	405,852
Net pension liability	13,463,287	1,664,002	15,127,289
Total noncurrent liabilities	<u>45,387,358</u>	<u>6,832,132</u>	<u>52,219,490</u>
Total liabilities	<u>49,481,893</u>	<u>8,252,432</u>	<u>57,734,325</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	4,321,631	-	4,321,631
Deferred amount on pension	471,160	58,233	529,393
Total deferred inflows of resources	<u>4,792,791</u>	<u>58,233</u>	<u>4,851,024</u>
NET POSITION			
Net investment in capital assets	40,595,730	18,949,964	59,545,694
Restricted - nonspendable	72,803	2,289	75,092
Restricted for:			
General government	37,446	-	37,446
Public safety	78,599	-	78,599
Unrestricted	(16,746,315)	2,807,926	(13,938,389)
TOTAL NET POSITION	<u>\$ 24,038,263</u>	<u>\$ 21,760,179</u>	<u>\$ 45,798,442</u>

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

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 2,675,596	\$ 615,633	\$ -	\$ -	\$ (2,059,963)		\$ (2,059,963)
Public safety	7,200,959	681,509	414,380	55,353	(6,049,717)		(6,049,717)
Public works	3,154,330	310,748	-	413,865	(2,429,717)		(2,429,717)
Economic development	5,011,319	2,187	-	410,899	(4,598,233)		(4,598,233)
Culture and recreation	717,600	-	8,000	-	(709,600)		(709,600)
Interest and bond costs	1,890,499	-	-	-	(1,890,499)		(1,890,499)
Total governmental activities	20,650,303	1,610,077	422,380	880,117	(17,737,729)		(17,737,729)
Business-type activities:							
Water and sewer	3,487,286	4,131,322	-	-		\$ 644,036	644,036
Waterfront Development	177,710	10,877	-	322,894		156,061	156,061
Total business-type activities	3,664,996	4,142,199	-	322,894		800,097	800,097
Total	\$ 24,315,299	\$ 5,752,276	\$ 422,380	\$ 1,203,011		800,097	(16,937,632)
General revenues:							
Property taxes, general purpose					4,268,682	-	4,268,682
Property taxes, special purpose					-	1,537	1,537
Sales taxes					7,365,967	-	7,365,967
Franchise taxes					459,140	-	459,140
Grants and contributions not restricted					153,081	-	153,081
Gaming revenue					1,633,949	-	1,633,949
Interest earnings					101,857	3,432	105,289
Lease revenues					210,872	-	210,872
Other					90,908	-	90,908
Transfers					(1,591,305)	1,591,305	-
Total general revenues and transfers					12,693,151	1,596,274	14,289,425
Change in net position					(5,044,578)	2,396,371	(2,648,207)
Net position-beginning					29,959,632	19,363,808	49,323,440
Prior period adjustment					(876,791)	-	(876,791)
Net position-ending					\$ 24,038,263	\$ 21,760,179	\$ 45,798,442

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

FUND FINANCIAL STATEMENTS

EXHIBIT C

CITY OF D'IBERVILLE, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Racetrack Road Redevelopment Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,245,109	\$ 807,376	\$ 175,232	\$ 5,227,717
Receivables, net, where applicable:				
Property taxes	4,321,631	-	-	4,321,631
Sales taxes	1,184,098	-	-	1,184,098
Franchise taxes	146,346	-	-	146,346
Due from other governments	310,927	-	184,711	495,638
Garbage fees	78,401	-	-	78,401
Court fines & fees	523,035	-	-	523,035
Due from other funds	64,503	-	-	64,503
Prepaid items	72,504	-	299	72,803
Restricted assets:				
Cash and cash equivalents	185,437	-	1,835,475	2,020,912
Total assets	<u>\$ 11,131,991</u>	<u>\$ 807,376</u>	<u>\$ 2,195,717</u>	<u>\$ 14,135,084</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 269,049	\$ -	\$ 132,696	\$ 401,745
Retainage payable	424,590	-	-	424,590
Due to other governments	144,775	-	-	144,775
Accrued wages payable	151,914	-	4,512	156,426
Due to other funds	-	-	64,503	64,503
Unearned revenue	188,112	-	71,376	259,488
Total liabilities	<u>1,178,440</u>	<u>-</u>	<u>273,087</u>	<u>1,451,527</u>
Deferred inflows of resources:				
Deferred property tax revenue	4,321,631	-	-	4,321,631
Deferred court fine revenue	523,035	-	-	523,035
Total deferred inflows of resources	<u>4,844,666</u>	<u>-</u>	<u>-</u>	<u>4,844,666</u>
Fund balances:				
Nonspendable:				
Prepaid items	72,504	-	299	72,803
Restricted for:				
Unemployment	37,446	-	-	37,446
Debt service	48	-	-	48
Capital projects	69,345	807,376	1,993,707	2,870,428
Unassigned	4,929,542	-	(71,376)	4,858,166
Total fund balances	<u>5,108,885</u>	<u>807,376</u>	<u>1,922,630</u>	<u>7,838,891</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,131,991</u>	<u>\$ 807,376</u>	<u>\$ 2,195,717</u>	<u>\$ 14,135,084</u>

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

CITY OF D'IBERVILLE, MISSISSIPPI
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017

Total governmental funds balance (Exhibit C) \$ 7,838,891

Amounts reported for governmental activities in the statement of net

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

Governmental capital assets	80,674,666	
Less: accumulated depreciation	<u>(18,616,218)</u>	62,058,448

Premium on bonds issued are capitalized and amortized on the statement of net position		(437,113)
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Discount on bonds issued are deferred and amortized on the statement of net position		705,731
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Long-term liabilities are not due and payable in the current period expenditures and, therefore, are not reported in the governmental funds:

Outstanding debt issues		(34,077,019)
Compensated absences		(467,884)
Net pension liability		(13,463,287)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		523,035
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Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds		(355,299)
-------------------------------------------------------------------------------------------------------------------------	--	-----------

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

Pension		1,660,476
Advance bond refunding		52,284

Net position of governmental activities (Exhibit A)		<u>\$ 24,038,263</u>
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EXHIBIT D

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund	Racetrack Road Redevelopment Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 4,268,682	\$ -	\$ -	\$ 4,268,682
Sales tax	7,365,967	-	-	7,365,967
Franchise taxes	459,140	-	-	459,140
Gaming fees and taxes	1,633,949	-	-	1,633,949
Licenses and permits	437,514	-	-	437,514
Intergovernmental	879,824	-	378,320	1,258,144
Charges for services	478,428	-	-	478,428
Fines and fees	813,063	-	-	813,063
Interest income	92,384	-	9,473	101,857
Lease revenue	210,872	-	-	210,872
Miscellaneous	77,686	-	-	77,686
Total revenues	16,717,509	-	387,793	17,105,302
EXPENDITURES				
Current:				
General government	2,145,912	-	-	2,145,912
Public safety	5,161,871	-	171,179	5,333,050
Public works	2,056,355	-	15,900	2,072,255
Economic development	-	5,011,319	-	5,011,319
Culture and recreation	595,949	-	-	595,949
Capital outlay	8,124,071	-	2,724,370	10,848,441
Debt service:				
Principal	-	-	1,623,937	1,623,937
Interest	-	-	994,137	994,137
Bond issue costs	-	682,650	-	682,650
Total expenditures	18,084,158	5,693,969	5,529,523	29,307,650
Excess (deficiency) of revenues over expenditures	(1,366,649)	(5,693,969)	(5,141,730)	(12,202,348)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,192,624	-	6,483,645	7,676,269
Transfers out	(5,526,377)	(3,619,872)	(121,325)	(9,267,574)
Proceeds from sale of assets	864	-	-	864
Insurance proceeds	12,358	-	-	12,358
Original issue discount on bonds issued	-	(698,783)	-	(698,783)
Proceeds from TIF bonds issued	-	10,820,000	-	10,820,000
Payment to bond refunding escrow agent	-	-	(250,000)	(250,000)
Total other financing sources (uses)	(4,320,531)	6,501,345	6,112,320	8,293,134
Net change in fund balances	(5,687,180)	807,376	970,590	(3,909,214)
Fund balances--beginning	10,796,065	-	952,040	11,748,105
Fund balances--ending	\$ 5,108,885	\$ 807,376	\$ 1,922,630	\$ 7,838,891

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

EXHIBIT D-1

CITY OF D'IBERVILLE, MISSISSIPPI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - total governmental funds (Exhibit D) \$ (3,909,214)

Amounts reported for governmental activities in the statement of

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

Capital outlay	10,848,441	
Depreciation	<u>(1,913,586)</u>	8,934,855

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

Net loss on sale/donation of capital assets		(26,666)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds

Net change in court fine revenues		78,506
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal	1,623,937	
Proceeds from issuance of bonds	(10,820,000)	
Discount on bond issuance	698,783	
Payment to bond escrow agent	<u>250,000</u>	(8,247,280)

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

20,005

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

Change in net pension liability	(544,392)	
Change in compensated absences	(45,567)	
Change in accrued interest payable	(226,970)	
Change in deferred inflows and outflows of resources		
Deferred amount on refunding	(6,746)	
Deferred amounts on pension	<u>(1,071,109)</u>	<u>(1,894,784)</u>

Change in net position of governmental activities (Exhibit B)

\$ (5,044,578)

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Water & Sewer Fund	Waterfront Development Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,079,951	\$ 55,884	\$ 3,135,835
Accounts receivable, net	562,367	3,313	565,680
Due from other governments	-	3,485	3,485
Prepaid items	2,289	-	2,289
Restricted assets:			
Cash and cash equivalents	1,092,527	3,120	1,095,647
Total current assets	4,737,134	65,802	4,802,936
Noncurrent assets			
Capital assets:			
Nondepreciable	1,022,634	431,327	1,453,961
Depreciable, net of accumulated depreciation	21,243,114	1,915,492	23,158,606
Total noncurrent assets	22,265,748	2,346,819	24,612,567
Total assets	27,002,882	2,412,621	29,415,503
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	391,880		391,880
Deferred amount on pensions	263,461	-	263,461
Total deferred outflows of resources	655,341	-	655,341
LIABILITIES			
Current liabilities:			
Accounts payable	60,725	235	60,960
Accrued interest	43,043	-	43,043
Accrued wages payable	132,894	-	132,894
Long-term debt:			
Bonds payable	575,000	-	575,000
Notes payable	60,423	-	60,423
Compensated absences	11,630	-	11,630
Payable from restricted assets:			
Customer deposits	534,600	1,750	536,350
Total current liabilities	1,418,315	1,985	1,420,300
Noncurrent Liabilities			
Bonds payable	4,477,216	-	4,477,216
Notes payable	651,386	-	651,386
Compensated absences	39,528	-	39,528
Net pension liability	1,664,002	-	1,664,002
Total noncurrent liabilities	6,832,132	-	6,832,132
Total liabilities	8,250,447	1,985	8,252,432
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on pensions	58,233	-	58,233
NET POSITION			
Net investment in capital assets	16,951,642	2,346,819	19,298,461
Nonspendable	2,289	-	2,289
Unrestricted	2,395,612	63,817	2,459,429
Total net position	\$ 19,349,543	\$ 2,410,636	\$ 21,760,179

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

CITY OF D'IBERVILLE, MISSISSIPPI
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Water & Sewer Fund	Waterfront Development Fund	Total
OPERATING REVENUES			
Charges for services	\$ 4,131,322	\$ 10,877	\$ 4,142,199
Total operating revenues	4,131,322	10,877	4,142,199
OPERATING EXPENSES			
Personnel services	810,669	-	810,669
Pension expense	222,883	-	222,883
Professional fees	29,809	33,737	63,546
Contract services -water and sewer treatment	1,173,718	-	1,173,718
Office expenses and utilities	176,196	2,742	178,938
Repairs and maintenance	364,247	512	364,759
Other services and charges	17,424	17,510	34,934
Total operating expenses	2,794,946	54,501	2,849,447
Operating income (loss) before depreciation	1,336,376	(43,624)	1,292,752
Depreciation expense	545,622	123,208	668,830
Operating income (loss)	790,754	(166,832)	623,922
NON-OPERATING REVENUES (EXPENSES)			
Property tax revenue	1,537	-	1,537
Interest income	3,432	-	3,432
Grant revenue	-	322,893	322,893
Interest expense	(146,718)	-	(146,718)
Transfers	1,591,305	-	1,591,305
Total non-operating revenues (expenses)	1,449,556	322,893	1,772,449
Change in net position	2,240,310	156,061	2,396,371
Net position-beginning	17,109,233	2,254,575	19,363,808
Net position-ending	\$ 19,349,543	\$ 2,410,636	\$ 21,760,179

EXHIBIT G

**CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Water & Sewer Fund	Waterfront Development Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,107,752	\$ 54,106	\$ 4,161,858
Payments to employees	(796,522)	-	(796,522)
Payments to suppliers	(1,548,025)	(108)	(1,548,133)
Payments for other goods and services	(225,676)	(72,125)	(297,801)
Net cash from operating activities	<u>1,537,529</u>	<u>(18,127)</u>	<u>1,519,402</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	1,537	-	1,537
Receipt of grant revenues	-	322,893	322,893
Net cash from non-capital financing activities	<u>1,537</u>	<u>322,893</u>	<u>324,430</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,120,066)	(283,823)	(1,403,889)
Bond principal payments	(676,967)	-	(676,967)
Interest and amortization expense	(203,112)	-	(203,112)
Net cash from capital and related financing activities	<u>(2,000,145)</u>	<u>(283,823)</u>	<u>(2,283,968)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	3,432	-	3,432
Net cash from investing activities	<u>3,432</u>	<u>-</u>	<u>3,432</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(457,647)</u>	<u>20,943</u>	<u>(436,704)</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>4,630,125</u>	<u>38,061</u>	<u>4,668,186</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 4,172,478</u>	<u>\$ 59,004</u>	<u>\$ 4,231,482</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 790,754	\$ (166,832)	\$ 623,922
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	545,622	123,208	668,830
(Increase) decrease in:			
Receivables	(38,815)	44,599	5,784
Prepaid items	1,128	-	1,128
Increase (decrease) in:			
Accounts payable	(12,307)	(17,732)	(30,039)
Accrued wages payable	106,402	-	106,402
Pension items	122,562	-	122,562
Compensated absences payable	8,066	-	8,066
Customer deposits	14,117	(1,370)	12,747
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 1,537,529</u>	<u>\$ (18,127)</u>	<u>\$ 1,519,402</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Introduction

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

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

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2017.

II. Financial Reporting Entity

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

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

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

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

III. Government-Wide and Fund Financial Statements

(A) Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(B) Fund Financial Statements

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

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

(A) Basis of Accounting

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

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

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

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

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(B) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

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

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

Proprietary Funds

The City reports the following major proprietary funds:

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

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

(C) Use of Estimates

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

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Assets, Liabilities, and Net Position or Equity

(A) Cash and Cash Equivalents

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

(B) Interfund Transactions

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

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

(C) Restricted Assets/Resources

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

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

(D) Capital Assets

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

(E) Long-Term Obligations

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

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

(F) Compensated Absences

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

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

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The compensated absences liability is computed using the specific identification method whereby the actual number of vacation hours is multiplied by the employee's hourly rate at September 30, 2017.

The resulting liability is then increased to include social security and retirement contributions that the City is required to pay upon liquidation of the liability.

(G) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents consumption of net position that applies to a future period or periods and so will, not be recognized as an outflow of resources (expense/expenditure) until then. As of September 30, 2017, the City reported deferred outflows pertaining to pensions of \$2,395,097 and deferred outflows on advance refunding in the amount of \$444,164.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so, will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2017, the City reported deferred inflows pertaining to pensions of \$529,393 and deferred property tax revenue of \$4,321,631.

(H) Fund Equity

Fund balances are classified as follows:

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

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

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

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

Unassigned—All amounts not included in other spendable classifications

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

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Net Position

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

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

(J) Pensions

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

(K) New Accounting Pronouncements for Future Implementation

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of GASB 75 are effective for fiscal years beginning after June 15, 2017. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The provisions of GASB 81 are effective for financial statements for fiscal years beginning after December 15, 2016. When receiving resources pursuant to an irrevocable split-interest agreement, a government must recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement and to recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The provisions of GASB 83 are effective for financial statements for fiscal years beginning after June 15, 2018. The requirements of this Statement will enhance comparability of financial statements by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations (ARO's), including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those ARO's.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The provisions of GASB 84 are effective for fiscal years beginning after December 15, 2018. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The provisions of GASB 85 are effective for financial statements for periods beginning after June 15, 2017. The requirements of this Statement are to address practice issues identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)).

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The provisions of GASB 86 are effective for financial statements for fiscal years beginning after June 15, 2017. The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for extinguishing that debt was acquired. The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement will enhance the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance.

In June 2017, the GASB issued Statement No. 87, *Leases*. The provisions of GASB 87 are effective for financial statements for fiscal years beginning after December 15, 2019. The requirements of this Statement establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement will enhance the relevance and consistency of information about a governments' leasing activities, as well as, the decision-usefulness of the information provided to financial statement users by requiring notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

Management is assessing the impact that the new GASB pronouncements will have on the City's financial statements.

(L) Comparative Data and Reclassifications

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2: CASH

A summary of cash (including restricted deposits) as of September 30, 2017, is as follows:

	Unrestricted	Restricted	Total
Governmental activities:			
General fund	\$ 4,245,109	\$ 185,437	\$ 4,430,546
Scarlett Pearl TIF fund	807,376	-	807,376
Non-major funds	175,232	1,835,475	2,010,707
	<u>5,227,717</u>	<u>2,020,912</u>	<u>7,248,629</u>
Business-type activities:			
Water & Sewer fund	3,079,951	1,092,527	4,172,478
Waterfront development fund	55,884	3,120	59,004
	<u>3,135,835</u>	<u>1,095,647</u>	<u>4,231,482</u>
	<u>\$ 8,363,552</u>	<u>\$ 3,116,559</u>	<u>\$ 11,480,111</u>

The carrying amount of the City's total deposits with financial institutions at September 30, 2017, was \$11,480,111 and the bank balance was \$12,341,886. The \$3,116,559 restricted amount is composed of: \$37,446 for unemployment; \$78,599 for public safety purchases; \$2,462,795 for debt service reserves; and customer deposits for \$537,719.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the City follows state statutes that allow public entities to select depositories on the basis of competitive bid. Depositories must be covered by Federal Deposit Insurance Corporation (FDIC) or collateralized in an amount equal to 105% of the uninsured deposit. The collateral is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by §27-105-5 of the Mississippi Code of 1972, Annotated. Under this program, the City's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not recovered by the FDIC.

NOTE 3: RECEIVABLES

(A) Due from other governments

The City reported the following amounts as due from other governments as of September 30, 2017:

	Governmental Activities			Business-Type	
	General Fund	Non-major Funds	Total Governmental	Waterfront Dev. Fund	Total Government-wide
Harrison County - SRO	\$ 55,860	\$ -	\$ 55,860	\$ -	\$ 55,860
State of Mississippi - Gaming	240,246	-	240,246	-	240,246
State of Mississippi - MDOT	-	154,617	154,617	-	154,617
State of Mississippi - CIAP	-	-	-	3,485	3,485
Other Public Safety Grants	14,821	30,094	44,915	-	44,915
Total due from other governments	<u>\$ 310,927</u>	<u>\$ 184,711</u>	<u>\$ 495,638</u>	<u>\$ 3,485</u>	<u>\$ 499,123</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3: RECEIVABLES (Continued)

(B) Utility Accounts Receivable

Utility customer receivables consist of the following at September 30, 2017:

Water and sewer utility charges billed but uncollected	\$ 1,075,395
Water and sewer utility charges accrued but unbilled at year end	242,656
Less: Allowance for uncollectible accounts	<u>(755,684)</u>
Utility accounts receivable	<u>\$ 562,367</u>

NOTE 4: INTERFUND ASSETS/LIABILITIES

(A) Interfund Transfers

The following transfers were made between funds during the year ended September 30, 2017:

Transfers From	Transfers To	Amount
General	CDBG fund	2,548,268
General	Municipal Fire Rebate fund	32,905
General	Bulletproof Vest fund	2,240
General	DUI Grant fund	24,571
General	JAG Grant fund	14,570
General	COPS Technology Grant fund	105,867
General	MDOT Grant fund	15,900
General	Debt Service fund	2,782,056
Racetrack Road Redevelopment fund	General fund	1,192,624
Racetrack Road Redevelopment fund	Water and Sewer fund	1,555,997
Racetrack Road Redevelopment fund	Debt Service fund	871,251
Municipal Fire Rebate fund	Debt Service fund	86,017
Lamey Bridge Utility Relocation fund	Water and Sewer fund	35,308
Total		<u>\$ 9,267,574</u>

Transfers are indicative of the City's matching portion of various capital projects, lease payments, debt service, subsidies of various City operations, and re-allocations of special revenues. The \$5,526,377 of transfers from the general fund was primarily transferred to the debt service fund for principal and interest payments and transfers to capital projects for road improvements. The general fund also made transfers to the non-major funds for the City's match requirements for certain federal and state grants. The Racetrack Road Redevelopment fund transferred a net \$3,619,872 to the general and water and sewer fund to reimburse these funds for capital expenditures incurred.

(B) Due To/From Other Funds/Advances

Receivable Fund	Payable Fund	Amount
General	Bulletproof Vest Fund	\$ 2,240
General	DUI Grant Fund	14,245
General	JAG Grant Fund	9,097
General	MDOT Sangani Utilities Fund	38,921
Total		<u>\$ 64,503</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 5: CAPITAL ASSETS

Capital asset activity governmental activities for the year ended September 30, 2017, is as follows:

	Balance October 1	Additions	Disposals/ Adjustments	Balance September 30
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 13,421,051	\$ 2,183,868	\$ -	\$ 15,604,919
Construction in progress	2,259,327	6,593,464	(242,829)	8,609,962
Total capital assets not being depreciated	15,680,378	8,777,332	(242,829)	24,214,881
Capital assets being depreciated:				
Buildings	14,148,442	-	-	14,148,442
Machinery and equipment	2,542,923	148,614	(167,123)	2,524,414
Improvements other than Buildings	7,675,408	-	(12,900)	7,662,508
Infrastructure	24,704,430	1,942,702	-	26,647,132
Vehicles	4,539,543	222,622	(38,094)	4,724,071
Leased Property under capital leases	753,218	-	-	753,218
Total capital assets being depreciated	54,363,964	2,313,938	(218,117)	56,459,785
Less accumulated depreciation:				
Buildings	1,390,826	282,871	-	1,673,697
Machinery and equipment	1,887,687	145,802	(150,410)	1,883,079
Improvements other than Buildings	4,136,660	286,005	(6,756)	4,415,909
Infrastructure	6,399,173	746,544	-	7,145,717
Vehicles	2,921,561	316,785	(34,285)	3,204,061
Leased property under capital leases	158,176	135,579	-	293,755
Total accumulated depreciation	16,894,083	1,913,586	(191,451)	18,616,218
Total capital assets being depreciated, net	37,469,881	400,352	(26,666)	37,843,567
Governmental activities capital assets, net	\$ 53,150,259	\$ 9,177,684	\$ (269,495)	\$ 62,058,448

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

General government	\$ 225,925
Public safety	548,555
Public works	1,082,075
Culture and recreation	57,031
Total governmental activities	<u>1,913,586</u>
depreciation expense	<u>\$ 1,913,586</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 5: CAPITAL ASSETS (Continued)

Capital asset activity business-type activities for the year ended September 30, 2017, is as follows:

	Balance October 1	Additions	Disposals/ Adjustments	Balance September 30
<u>Business - type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 356,080	\$ 109,127	\$ -	\$ 465,207
Construction in progress	772,189	952,026	(735,461)	988,754
Total capital assets not being depreciated	1,128,269	1,061,153	(735,461)	1,453,961
Capital assets being depreciated:				
Buildings	343,942	-	-	343,942
Machinery and equipment	229,270	78,876	-	308,146
Water, sewer and gas systems	29,177,501	2,349,084	-	31,526,585
Boat slips and piers	3,128,466	174,696	-	3,303,162
Vehicles	186,151	66,846	-	252,997
Total capital assets being depreciated	33,065,330	2,669,502	-	35,734,832
Less accumulated depreciation:				
Buildings	116,178	5,382	-	121,560
Machinery and equipment	158,302	10,461	-	168,763
Water, sewer and gas systems	10,114,513	504,082	-	10,618,595
Boat slips and piers	1,434,723	119,260	-	1,553,983
Vehicles	83,680	29,645	-	113,325
Total accumulated depreciation	11,907,396	668,830	-	12,576,226
Total capital assets being depreciated, net	21,157,934	2,000,672	-	23,158,606
Business-type activities capital assets, net	\$ 22,286,203	\$ 3,061,825	\$ (735,461)	\$ 24,612,567

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Utility Fund	\$ 545,622
Waterfront Development Fund	123,208
Total business-type activities depreciation expense	<u>\$ 668,830</u>

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

Project	Money Spent to Date	Remaining Commitment
<u>Governmental Activities:</u>		
Sportsplex	\$ 7,299,029	\$ 996,244
Road Improvements	1,310,933	546,700
	<u>\$ 8,609,962</u>	<u>\$ 1,542,944</u>
<u>Business-type Activities:</u>		
Sportsplex	988,754	41,046
	<u>\$ 988,754</u>	<u>\$ 41,046</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT

Governmental Activities –

Transactions for the year ended September 30, 2017 for the governmental activities are summarized as follows:

Governmental Activities	Payable at October 1	Additions	Reductions	Payable at September 30	Due in one year
Long-term debt:					
General obligation bonds	\$ 2,480,000	\$ -	\$ -	\$ 2,480,000	\$ 270,000
Special obligation bonds	3,360,000	-	165,000	3,195,000	170,000
Limited obligation bonds	16,050,000	10,820,000	1,230,000	25,640,000	1,575,000
Certificates of participation	2,305,000	-	160,000	2,145,000	165,000
Capital leases payable	685,956	-	68,937	617,019	70,654
Total long-term debt principal	24,880,956	10,820,000	1,623,937	34,077,019	2,250,654
Less: bond discount	19,938	698,779	12,986	705,731	
Add: bond premium	470,108	-	32,995	437,113	
Total long-term debt	25,331,126	10,121,221	1,643,946	33,808,401	2,250,654
Other liabilities:					
Compensated absences	422,317	447,624	402,057	467,884	101,560
Net pension liability (beg. restated)	12,868,204	595,083	-	13,463,287	
Total governmental activities	<u>\$ 38,621,647</u>	<u>\$ 11,163,928</u>	<u>\$ 2,046,003</u>	<u>\$ 47,739,572</u>	<u>\$ 2,352,214</u>

Governmental Activities –

General Obligation Bonds – Advance Refunding

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

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

Year Ending	Principal	Interest	Total
2018	\$ 270,000	\$ 56,875	\$ 326,875
2019	285,000	49,938	334,938
2020	290,000	42,750	332,750
2021	305,000	35,313	340,313
2022	320,000	27,500	347,500
2023-2025	1,010,000	34,126	1,044,126
	<u>\$ 2,480,000</u>	<u>\$ 246,502</u>	<u>\$ 2,726,502</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Governmental Activities –

Special Obligation Bonds

In August 2011, the City authorized and issued Special Obligation Bond, Series 2011 for the purpose of purchasing approximately 6.4 acres of property. The amount of the bond issued was \$4,000,000 with a varying interest rate of 2.0-5.375% and principal maturing September 2031.

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

Year Ending	Principal	Interest	Total
2018	\$ 170,000	\$ 150,044	\$ 320,044
2019	175,000	144,094	319,094
2020	185,000	137,094	322,094
2021	190,000	129,694	319,694
2022	200,000	122,094	322,094
2023-2027	1,135,000	467,864	1,602,864
2028-2031	1,140,000	154,014	1,294,014
	<u>\$ 3,195,000</u>	<u>\$ 1,304,898</u>	<u>\$ 4,499,898</u>

Limited Obligation/Tax Increment Financing Bonds

The City issues Tax Increment Financing (TIF) bonds to encourage economic development within certain areas of the City.

Tax increment financing bonds currently outstanding are as follows:

	Interest Rates	Amount
TIF Bond 1999	4.5 - 6.25%	\$ 235,000
TIF Bond 2004	4.84%	875,000
TIF Bond 2008	4.76%	1,420,000
TIF Bond 2013	2.0 - 4.75%	10,050,000
TIF Bond 2015	3.95%	2,240,000
TIF Bond 2017A	5.00%	6,470,000
TIF Bond 2017B	4.75 - 5.0%	4,350,000
		<u>\$ 25,640,000</u>

The original amount of TIF bonds issued from April 1999 to December 2013 was \$19,020,000. The City's outstanding balance for these bonds was \$12,580,000 as of September 30, 2017.

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Governmental Activities –

On June 13, 2017, the City issued the City issued \$10,820,000 in TIF limited obligation refunding bonds, Series 2017A and Series 2017B for the Racetrack Road Redevelopment Project. Series 2017A has an interest rate of 5% and Series 2017B has a variable interest rate of 4.75% to 5%. Series 2017A has principal maturing May 2037 and Series 2017B has principal maturing in May 2028. In addition, the City is required to maintain a Debt Service Reserve Fund in the amount of \$871,250 for the duration of these bonds. This amount is reflected in reserved cash and cash equivalents.

The principal and interest on tax increment financing bonds are paid from the increase in sales tax revenue that is generated from the developed area. These bonds are generally issued as 10 or 20 year serial bonds with varying amounts of principal maturing each year. These bonds are reflected in the governmental activities column of the Statement of Net Position.

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

Year Ending	Principal	Interest	Total
2018	\$ 1,575,000	\$ 1,121,887	\$ 2,696,887
2019	1,660,000	1,122,624	2,782,624
2020	1,600,000	1,055,623	2,655,623
2021	1,340,000	990,056	2,330,056
2022	1,385,000	936,680	2,321,680
2023-2027	6,645,000	3,762,078	10,407,078
2028-2032	6,945,000	2,122,911	9,067,911
2033-2037	4,490,000	618,313	5,108,313
	<u>\$ 25,640,000</u>	<u>\$ 11,730,172</u>	<u>\$ 37,370,172</u>

Certificates of Participation

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

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

Year Ending	Principal	Interest	Total
2018	\$ 165,000	\$ 67,997	\$ 232,997
2019	170,000	62,766	232,766
2020	175,000	57,377	232,377
2021	185,000	51,830	236,830
2022	190,000	45,965	235,965
2023-2027	1,035,000	136,153	1,171,153
2028	225,000	7,133	232,133
	<u>\$ 2,145,000</u>	<u>\$ 429,221</u>	<u>\$ 2,574,221</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Governmental Activities –

Capital Leases Payable

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

Year Ending	Principal	Interest	Total
2018	\$ 70,654	\$ 15,363	\$ 86,017
2019	72,413	13,604	86,017
2020	74,216	11,801	86,017
2021	76,064	9,953	86,017
2022	77,958	8,059	86,017
2023-2025	245,714	12,337	258,051
	<u>\$ 617,019</u>	<u>\$ 71,117</u>	<u>\$ 688,136</u>

Business-type Activities –

Transactions for the year ended September 30, 2017 for the business-type activities are summarized as follows:

Business-type Activities	Payable at October 1	Additions	Reductions	Payable at September 30	Due in one year
Long-term debt:					
Revenue refunding bonds	\$ 5,545,000	\$ -	\$ 565,000	\$ 4,980,000	\$ 575,000
Notes payable	823,776	-	111,967	711,809	60,423
Total long-term debt principal	6,368,776	-	676,967	5,691,809	635,423
Add: bond premium	77,880	-	5,664	72,216	
Total long-term debt	6,446,656	-	682,631	5,764,025	635,423
Other liabilities:					
Compensated absences	43,092	52,144	44,078	51,158	11,630
Net pension liability	1,728,353	-	64,351	1,664,002	-
Total business-type activities	<u>\$ 8,218,101</u>	<u>\$ 52,144</u>	<u>\$ 791,060</u>	<u>\$ 7,479,185</u>	<u>\$ 647,053</u>

Revenue Refunding Bonds – Advance Refunding

In July 2016, the City issued \$5,545,000 of Combine Water and Sewer System Revenue Refunding Bonds, Series 2016, with a varying interest rate of 2.0% to 2.5%. The net proceeds of \$5,610,192 (after issuance costs of \$115,128, plus premium of \$79,298) were used to advance refund the Mississippi Development Bank Water and Sewer Special Obligation Bonds, Series 2010 and Series 2011, with a total principal amount of \$5,180,000 with interest rates from 2.0% to 5.25%. In addition, the City is required to maintain a Debt Service Reserve Fund in the amount of \$554,500 for the duration of these bonds. This amount is reflected in reserved cash and cash equivalents.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Business-type Activities –

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

Year Ending	Principal	Interest	Total
2018	\$ 575,000	\$ 102,363	\$ 677,363
2019	590,000	90,862	680,862
2020	600,000	79,063	679,063
2021	615,000	67,062	682,062
2022	620,000	54,763	674,763
2023-2027	1,375,000	139,113	1,514,113
2028-2030	605,000	299,637	904,637
	<u>\$ 4,980,000</u>	<u>\$ 832,863</u>	<u>\$ 5,812,863</u>

Notes Payable

State Revolving Loans

The City is currently participating in the State Revolving Loan Program to provide funds for water and sewer system upgrades and improvements. These loans are granted with a 20 year maturity with equal amounts of principal maturing each year. The interest rates on these loans vary from 0% to 4.5%. These loans are reflected in the Business-Type Activities column of the Statement of Net Position.

Mississippi Development Bank Loan

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

Special Community Disaster Loans

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

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

Year Ending	Principal	Interest	Total
2018	\$ 60,423	\$ 7,384	\$ 67,807
2019	46,844	6,052	52,896
2020	43,321	4,834	48,155
2021	20,339	4,108	24,447
2022	20,750	3,698	24,448
2023-2027	110,203	12,035	122,238
2028-2032	409,929	89,603	499,532
	<u>\$ 711,809</u>	<u>\$ 127,714</u>	<u>\$ 839,523</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Compensated Absences

The City's policies relative to compensated absences and the method of computing accrued liabilities and reporting are discussed in Note 1 (F) on page 33.

NOTE 7: RETIREMENT PLANS

A - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by §25-11-1 et seq of the Mississippi Code of 1972, Annotated and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Benefits provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public Cities. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

Contributions

PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2017, was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2017, 2016 and 2015 were \$910,223, \$848,531, and \$757,323, respectively, which equaled the required contributions for each year.

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

At September 30, 2017, the City reported a liability of \$13,463,287 in the governmental activities and \$1,664,002 in the business-type activities for a total of \$15,127,289 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was .091 percent. For the year ended September 30, 2017, the City recognized pension expense for governmental activities of \$2,439,236 and \$222,883 for business-type activities.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Differences between expected and actual experience	\$ 193,424	\$ 23,907	\$ 217,331
Changes of assumptions	299,236	36,984	336,220
Changes in proportion and differences between City contributions and proportionate share on contributions	1,451,732	179,428	1,631,160
City's contributions subsequent to the measurement date	187,244	23,142	210,386
Total deferred outflows related to pensions	<u>\$ 2,131,636</u>	<u>\$ 263,461</u>	<u>\$ 2,395,097</u>

	Deferred Inflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Differences between expected and actual experience	\$ 98,238	\$ 12,141	\$ 110,379
Net difference between projected and actual earnings on pension plan investments	172,859	21,365	194,224
Changes of assumptions	22,941	2,835	25,776
Changes in proportion and differences between City contributions and proportionate share on contributions	177,122	21,892	199,014
Total	<u>\$ 471,160</u>	<u>\$ 58,233</u>	<u>\$ 529,393</u>

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

Within the deferred outflows, \$210,386 of deferred outflows of resources is related to pensions resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability in the year ended September 30, 2017. Other amounts, netting to \$1,655,318, reported as deferred outflow of resource and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 1,018,349
2019	763,674
2020	165,501
2021	(292,206)
	<u>\$ 1,655,318</u>

Actuarial assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.75-18.50 percent, including inflation
Investment rate of return	7.75 percent, (net of pension plan investment expense, including inflation)

The table for post-retirement mortality rates used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022 with male rates set forward one year.

The actuarial assumptions used in the June 30, 2017, valuation was based on the results of an actuarial experience study for the four-year period ending June 30, 2016. The experience report is dated April 18, 2017.

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7: RETIREMENT PLANS (Continued)

A - Defined Benefit Pension Plan

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	3.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.25
Cash	1.00	0.00
Total	100.00 %	

Discount rate

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 19,840,449	\$ 15,127,289	\$ 11,214,341

Pension plan fiduciary net position

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

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7: RETIREMENT PLANS (Continued)

B - Deferred Compensation Plan

The City, through OYA, offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

NOTE 8: RELATED PARTY COMMITMENTS

Joint Governance

On September 30, 1998, the City entered into an agreement with the Harrison County Library Board of Trustees, the City of Gulfport, the City of Biloxi, the City of Pass Christian, and Harrison County to mutually cooperate in securing a more economical public library system through combined resources, interests, materials and facilities to be known as the Harrison County Library System.

There are no specific monetary terms in the agreement, and the City of D'Iberville has no equity interest in the organization.

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

The City of D'Iberville contributed \$140,216 for the year ended September 30, 2017. This agreement is cancelable upon 60 days written notice prior to the end of the fiscal year, and therefore, the City of D'Iberville does not have an ongoing financial responsibility.

Joint Venture

The City of D'Iberville is a member of the Harrison County Utility Authority (Authority) which was established by an act of the Mississippi Legislature and operates under §49-17-701 of the Mississippi Code of 1972, Annotated to provide for adequate wastewater treatment and solid waste disposal services to the citizens of Harrison County, Mississippi. The governing board is comprised of one member from each of the cities located in Harrison County and two members from the Harrison County Board of Supervisors.

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

As of the date of this report, the Authority has not completed the annual audit of their FY 2017 financial statements. The following is a synopsis of the Authority's financial statements as of and for the year ended September 30, 2016, a complete copy of which is on file at the administrative offices of the Authority.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 8: RELATED PARTY COMMITMENTS (Continued)

The following is a synopsis of the Authority's financial statements as of and for the year ended September 30, 2016:

CONDENSED STATEMENT OF NET POSITION	
<u>ASSETS AND DEFERRED OUTFLOWS</u>	
Current assets	\$ 12,048,823
Restricted assets	21,590,333
Capital assets, net	275,358,374
Deferred outflows	25,870,209
Total assets and deferred outflows	<u>334,867,739</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>	
Current liabilities	8,939,133
Current liabilities from restricted assets	12,924,918
Long-term liabilities	123,574,105
Deferred inflows	4,747
Total liabilities and deferred inflows	<u>145,442,903</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	171,113,610
Restricted	17,198,463
Unrestricted	1,112,763
Total net assets	<u>189,424,836</u>
Total liabilities, deferred outflows and net assets	<u>\$ 334,867,739</u>

CONDENSED STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION	
Operating revenue	\$ 20,244,159
Operating expenses	(20,194,266)
Depreciation and amortization	(12,703,491)
Nonoperating revenues, net	14,766,090
Change in net position	<u>\$ 2,112,492</u>

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

General Fund

Statement of revenues, expenditures and changes in fund balance:

Public works expenditures:

Other services and charges (solid waste charges)

includes a payable at year-end in the amount of \$9,559 \$ 466,385

Water and Sewer Enterprise Fund

Statement of revenues, expenses and changes in net position:

Contracted services (wastewater treatment) which \$ 1,148,208

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CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9: COMMITMENTS AND CONTINGENCIES

Commitments

(A) Economic Development

The City has the authority to enter into various agreements in an effort to promote economic development and re-development within the City. These agreements offer reductions in sales tax, property taxes, and business licensing fees.

The City derives authority for tax abatement under the Tax Increment Financing Act, §21-45-1 through §21-45-21 of the Mississippi Code of 1972, Annotated. Under these statute, any municipality may enter into agreements with any developer whereby the developer will agree to construct, operate and maintain buildings or other facilities or improvements included within such projects as are provided in a redevelopment plan. In addition, §17-21-5 of the Mississippi Code of 1972, Annotated, allows cities to exempt any or all municipal ad valorem taxes, excluding school districts, to any privately owned new or improvements to structures within a designated business district, historic landmark/preservation district, urban renewal or redevelopment district. In 2013, the City adopted Ordinance No. 141 to address these tax abatements.

The City may agree to either forego a portion of its sales and/or property tax, or pay a portion of its sales and/or property tax in order to reimburse the property owners for construction and maintenance of public improvements. In an effort to promote immediate economic development, property owners have paid for and installed the improvements in advance. In each project area, the revenues to the City were either zero or declining. As such, the City was in a position to both enhance its economic base and improve overall economic vitality in areas surrounding the specific projects.

Parties to the incentive agreements and the various components therein are different, however each financial agreement is set to expire at either a date certain, or when a given amount of funds have been paid to reimburse the project developers, whichever occurs first.

The City has no tax abatements as of September 30, 2017.

(B) Harrison County Inter-local Agreement

The Council approved an inter-local agreement with Harrison County, Mississippi to provide for certain services in connection with the City's roads, bridges, highways, approach and related drainage, and parks and recreational facilities. This agreement is for the period January 2017 through January 2020.

On July 22, 2013, the Council also approved an inter-local agreement for all emergency communications, including 911 services for public safety and protection and other purposes. This agreement is for the period July 1, 2013 through December 31, 2017. The City pays 23% of the total costs of direct salaries and all fringe benefits of the total number of all dispatchers operating in the Sheriff's dispatch unit. The City further agrees to pay 100% of the actual payments, including fringe benefits, which the County pays to dispatchers working overtime or holidays on City matters. In fiscal year 2017, the City paid \$202,614 to Harrison County for these services. Per the inter-local agreement, the City's reimbursement to Harrison County for these services shall not exceed \$300,000 each year.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Contingencies

(A) Litigation

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

(B) Grants and Awards

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

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

Management has reported \$176,468 as unearned revenue, a liability, to reflect any amount due to MDEQ as of September 30, 2017. In the non-major funds, the City has an unearned revenue amount of \$71,376 which is due to an expenditure related to the MDOT Sangani Utilities project that was incurred after the project had been closed out. The City is currently pursuing reimbursement from MDOT for this expenditure.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10: NET POSITION

The detail of net position as of September 30, 2017, is as follows:

Governmental Activities:

Net investment in capital assets:

Net capital assets	62,058,448
Less: outstanding balances of borrowings for capital asset acquisition:	(21,515,002)
Add: deferred outflows of resources attributable to capital asset acquisition	52,284
Net investment in capital assets	<u>40,595,730</u>

Restricted net position

Restricted cash and cash equivalents	2,020,912
Less: liabilities related to restricted assets	(1,904,867)
Add: nonspendable - prepaid insurance	72,803
Restricted net position	<u>188,848</u>

Unrestricted net position

Total governmental activities net position	<u>(16,746,315)</u>
	<u>24,038,263</u>

Business-type Activities:

Net investment in capital assets:

Net capital assets	24,612,567
Less: outstanding balances of borrowings for capital asset acquisition:	(5,764,025)
Less: accounts and retainage payable on construction in process	(290,458)
Add: deferred outflows of resources attributable to capital asset acquisition	391,880
Net investment in capital assets	<u>18,949,964</u>

Restricted net position

Restricted cash and cash equivalents	1,095,647
Less: liabilities related to restricted assets:	(1,095,647)
Nonspendable - prepaid insurance	2,289
Restricted net position	<u>2,289</u>

Unrestricted net position

Total business-type net position	<u>2,807,926</u>
	<u>21,760,179</u>

The \$16,746,315 deficit in unrestricted governmental net position can largely be explained by the City's capital asset and debt activity during the year. The city made cash purchases totaling \$10,848,441 of capital assets. In addition, the City issued an additional \$10,820,000 TIF bond for the Racetrack Road redevelopment project which is not reflected in net investment in capital assets.

A deficit unassigned fund balance of \$71,376 exists in the MDOT Sangani Utilities special revenue fund. The deficit relates to a dispute that began in fiscal year 2012, between the City and MDOT regarding payment to a contractor above the amount allocated for construction. The City is still pursuing reimbursement as of September 30, 2017.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11: PRIOR PERIOD ADJUSTMENT

During the period subsequent to the issuance of the original audited financial statements, it was discovered that the net pension expense line item for the governmental funds was overstated by \$876,791 and net pension liability was understated. A prior period adjustment in the governmental activities was needed to reflect the overstatement. The ending net position was adjusted as follows:

Unrestricted net position-governmental activities	<u>\$ (876,791)</u>
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NOTE 12: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2017, the City carried insurance through various commercial carriers to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 13: SUBSEQUENT EVENTS

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

Management of the City of D'Iberville, Mississippi evaluated the activity of the City through March 13, 2018, (the date the financial statements were available to be issued), and determined the following noteworthy subsequent event:

On December 19, 2017, the Council approved a contract with JLB Contractors in the amount of \$5,215,880 for the Galleria Parkway and Popps Ferry Road Improvements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF D'IBERVILLE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget
REVENUES				
Property taxes	\$ 4,050,838	\$ 4,128,319	\$ 4,271,165	\$ 142,846
Sales tax	7,300,000	7,338,000	7,365,967	27,967
Franchise taxes	450,000	460,000	459,140	(860)
Licenses and permits	268,600	419,200	437,514	18,314
Due from other governments	2,377,273	2,484,938	2,513,773	28,835
Charges for services	461,800	461,900	471,903	10,003
Fines and fees	545,000	754,100	813,063	58,963
Interest income	35,000	90,000	92,384	2,384
Lease revenue	166,250	209,000	210,872	1,872
Miscellaneous	20,000	75,125	77,686	2,561
Total revenues	15,674,761	16,420,582	16,713,467	292,885
EXPENDITURES				
General government:				
Personnel Services	1,278,264	1,278,264	1,235,616	42,648
Supplies	51,000	66,400	53,662	12,738
Other Services & Charges	1,786,300	1,793,200	1,526,819	266,381
Capital Outlay	20,000	20,000	5,790	14,210
Total General Government	3,135,564	3,157,864	2,821,887	335,977
Public safety:				
Personnel Services	4,858,742	4,888,842	4,790,487	98,355
Supplies	455,500	596,500	546,471	50,029
Other Services & Charges	530,500	533,400	397,121	136,279
Capital Outlay	202,000	205,000	190,855	14,145
Total Public Safety	6,046,742	6,223,742	5,924,934	298,808
Public works:				
Personnel Services	1,026,778	1,026,778	880,329	146,449
Supplies	155,000	169,000	175,199	(6,199)
Other Services & Charges	1,098,763	1,108,500	996,022	112,478
Capital Outlay	1,627,000	1,630,000	850,482	779,518
Total Public Works	3,907,541	3,934,278	2,902,032	1,032,246
Culture and recreation:				
Personnel Services	283,704	305,180	296,747	8,433
Supplies	93,500	85,000	53,799	31,201
Capital Outlay	4,628,000	6,037,000	5,688,661	348,339
Total Culture & Recreation	5,005,204	6,427,180	6,039,207	387,973
Total Expenditures	18,095,051	19,743,064	17,688,060	2,055,004
Excess of revenues over expenditures	(2,420,290)	(3,322,482)	(974,593)	2,347,889
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	3,800	12,358	8,558
Sale of assets	-	800	864	64
Transfers out	-	1,192,000	1,192,624	624
Transfers in	(5,654,289)	(2,810,207)	(5,526,377)	(2,716,170)
Total other financing sources (uses)	(5,654,289)	(1,613,607)	(4,320,531)	(2,706,924)
Excess of revenues and other sources over expenditures	\$ (8,074,579)	\$ (4,936,089)	(5,295,124)	\$ (359,035)
Fund balances - October 1 - GAAP basis			10,796,065	
Receivable/revenue adjustments			13,288	
Payable/expenditure adjustments			(405,344)	
Fund balances - September 30 - GAAP basis			<u>\$ 5,108,885</u>	

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE
FOR THE YEARS ENDED SEPTEMBER 30, 2017

NOTE A: BUDGETARY INFORMATION

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

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

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS¹
FOR THE YEARS ENDED SEPTEMBER 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.091%	0.082%	0.076%
City's proportionate share of the net pension liability	\$ 15,127,289	\$ 14,647,248	\$ 11,748,101
City's covered-employee payroll	\$ 5,786,737	\$ 5,395,046	\$ 4,845,927
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.4%	271.5%	242.4%
Plan fiduciary net position as a percentage of the total pension liability	61.5%	57.5%	61.7%

¹ GASB 68 was implemented in fiscal year 2015, information is not available to present a full ten years.
The City has presented information for the years in which it is available.

² The amounts presented were determined as of the measurement date of June 30 of the fiscal year presented.

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF CITY CONTRIBUTIONS¹
FOR THE YEARS ENDED SEPTEMBER 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 924,055	\$ 837,434	\$ 757,323
Contributions in relation to the actuarially determine contribution	<u>924,055</u>	<u>837,434</u>	<u>757,323</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	5,867,015	5,317,041	4,809,925
Contributions as a percentage of covered- employee payroll	15.75%	15.75%	15.75%

¹ GASB 68 was implemented in fiscal year 2015, information is not available to present a full ten years.
The City has presented information for the years in which it is available.

² The amounts presented were determined as of the measurement date of June 30 of the fiscal year presented.

CITY OF D'IBERVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION SCHEDULES
FOR THE YEARS ENDED SEPTEMBER 30

Changes of assumptions.

- 2017
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
 - The wage inflation assumption was reduced from 3.75% to 3.25%.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.
- 2016
 - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
- 2015
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 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.
 - Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
 - The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes in benefit provisions

- 2016
 - Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

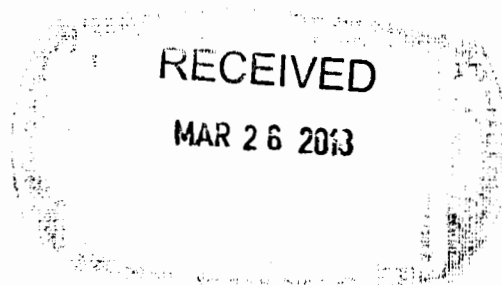
CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds					
	CDBG Fund	Municipal Fire Rebate Fund	Lamey Bridge Utility Relocation Fund	Bulletproof Vest Grant Fund	DUI Grant Fund	JAG Hotspot Grant
ASSETS						
Cash and cash equivalents	\$ 17,366	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	115,696	-	-	2,240	15,651	12,203
Prepaid expenses	-	-	-	-	299	-
Restricted cash	-	-	-	-	-	-
Total assets	<u>\$ 133,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,240</u>	<u>\$ 15,950</u>	<u>\$ 12,203</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 132,696	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-	1,406	3,106
Due to other funds	-	-	-	2,240	14,245	9,097
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>132,696</u>	<u>-</u>	<u>-</u>	<u>2,240</u>	<u>15,651</u>	<u>12,203</u>
Fund balances:						
Non-spendable	-	-	-	-	299	-
Restricted for capital projects	366	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 133,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,240</u>	<u>\$ 15,950</u>	<u>\$ 12,203</u>

Continued Next Page

CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING BALANCE SHEET - Continued
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds			Other Non-Major Funds			
	COPS Technology Grant	MDOT Grant	MDOT Sangani Utilities Grant Fund	Debt Service Fund	Capital Projects Fund	Promenade TIF Capital Projects Fund	Total
ASSETS							
Cash and cash equivalents	\$ 106,981	\$ -	\$ -	\$ -	\$ 41,385	\$ 9,500	\$ 175,232
Due from other governments	-	-	38,921	-	-	-	184,711
Prepaid expenses	-	-	-	-	-	-	299
Restricted cash	-	-	-	1,835,475	-	-	1,835,475
Total assets	\$ 106,981	\$ -	\$ 38,921	\$ 1,835,475	\$ 41,385	\$ 9,500	\$ 2,195,717
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,696
Accrued wages payable	-	-	-	-	-	-	4,512
Due to other funds	-	-	38,921	-	-	-	64,503
Unearned revenue	-	-	71,376	-	-	-	71,376
Total liabilities	-	-	110,297	-	-	-	273,087
Fund balances:							
Non-spendable	-	-	-	-	-	-	299
Restricted for capital projects	106,981	-	-	1,835,475	41,385	9,500	1,993,707
Unassigned	-	-	(71,376)	-	-	-	(71,376)
Total fund balances	106,981	-	(71,376)	1,835,475	41,385	9,500	1,922,630
Total liabilities and fund balances	\$ 106,981	\$ -	\$ 38,921	\$ 1,835,475	\$ 41,385	\$ 9,500	\$ 2,195,717



CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds					
	CDBG Fund	Municipal Fire Rebate Fund	Lamey Bridge Utility Relocation Fund	Bulletproof Vest Grant Fund	DUI Grant Fund	JAG Hotspot Grant
REVENUES						
Intergovernmental	\$ 115,696	\$ 53,112	\$ 35,308	\$ 2,240	\$ 37,380	\$ 134,584
Interest income	-	-	-	-	-	-
Total revenues	115,696	53,112	35,308	2,240	37,380	134,584
EXPENDITURES						
Public safety	-	-	-	4,480	61,951	104,748
Public works	-	-	-	-	-	-
Capital outlay	2,679,964	-	-	-	-	44,406
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	2,679,964	-	-	4,480	61,951	149,154
Excess (deficiency) of revenues over expenditures	(2,564,268)	53,112	35,308	(2,240)	(24,571)	(14,570)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,548,268	32,905	-	2,240	24,571	14,570
Transfers out	-	(86,017)	(35,308)	-	-	-
Payments to escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	2,548,268	(53,112)	(35,308)	2,240	24,571	14,570
Net change in fund balances	(16,000)	-	-	-	-	-
Fund balances-beginning	16,366	-	-	-	299	-
Fund balances-ending	\$ 366	\$ -	\$ -	\$ -	\$ 299	\$ -

Continued Next Page

CITY OF D'IBERVILLE, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds			Other Non-Major Funds			
	COPS Technology Grant	MDOT Grant	MDOT Sangani Utilities Grant Fund	Debt Service Fund	Capital Projects Fund	Promenade TIF Capital Projects Fund	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,320
Interest income	1,114	-	-	8,144	215	-	9,473
Total revenues	1,114	-	-	8,144	215	-	387,793
EXPENDITURES							
Public safety	-	-	-	-	-	-	171,179
Public works	-	15,900	-	-	-	-	15,900
Capital outlay	-	-	-	-	-	-	2,724,370
Debt service:							
Principal	-	-	-	1,623,937	-	-	1,623,937
Interest	-	-	-	994,137	-	-	994,137
Total expenditures	-	15,900	-	2,618,074	-	-	5,529,523
Excess (deficiency) of revenues over expenditures	1,114	(15,900)	-	(2,609,930)	215	-	(5,141,730)
OTHER FINANCING SOURCES (USES)							
Transfers in	105,867	15,900	-	3,739,324	-	-	6,483,645
Transfers out	-	-	-	-	-	-	(121,325)
Payments to escrow agent	-	-	-	(250,000)	-	-	(250,000)
Total other financing sources (uses)	105,867	15,900	-	3,489,324	-	-	6,112,320
Net change in fund balances	106,981	-	-	879,394	215	-	970,590
Fund balances-beginning	-	-	(71,376)	956,081	41,170	9,500	952,040
Fund balances-ending	\$106,981	\$ -	\$ (71,376)	\$ 1,835,475	\$ 41,385	\$ 9,500	\$ 1,922,630

INDIVIDUAL NON-MAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULES

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CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
CDBG GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,981,640	\$ 115,696	\$ 115,696	\$ -
Total revenues	<u>1,981,640</u>	<u>115,696</u>	<u>115,696</u>	<u>-</u>
EXPENDITURES				
PUBLIC WORKS				
Capital Outlay	<u>4,739,640</u>	<u>2,748,696</u>	<u>2,679,964</u>	<u>68,732</u>
Total Expenditures	<u>4,739,640</u>	<u>2,748,696</u>	<u>2,679,964</u>	<u>68,732</u>
Total Expenditures	<u>4,739,640</u>	<u>2,748,696</u>	<u>2,679,964</u>	<u>68,732</u>
Excess (deficiency) of revenues over expenditures	<u>(2,758,000)</u>	<u>(2,633,000)</u>	<u>(2,564,268)</u>	<u>68,732</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,758,000</u>	<u>2,633,000</u>	<u>2,548,268</u>	<u>(84,732)</u>
Total other financing sources (uses)	<u>2,758,000</u>	<u>2,633,000</u>	<u>2,548,268</u>	<u>(84,732)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(16,000)</u>	<u>\$ (16,000)</u>
Fund balance - October 1 - GAAP basis			16,366	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ 366</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
MUNICIPAL FIRE REBATE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 60,000	\$ 53,112	\$ 53,112	\$ -
Total revenues	<u>60,000</u>	<u>53,112</u>	<u>53,112</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>60,000</u>	<u>53,112</u>	<u>53,112</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	26,017	32,905	32,905	-
Transfers out	<u>(86,017)</u>	<u>(86,017)</u>	<u>(86,017)</u>	<u>-</u>
Total other financing sources	<u>(60,000)</u>	<u>(53,112)</u>	<u>(53,112)</u>	<u>-</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
LAMEY BRIDGE UTILITY RELOCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 330,000	\$ 35,308	\$ 35,308	\$ -
Total revenues	<u>330,000</u>	<u>35,308</u>	<u>35,308</u>	<u>-</u>
EXPENDITURES				
PUBLIC WORKS				
Contractual services	110,000	46,230	70,798	(24,568)
Capital Outlay	<u>220,000</u>	<u>180,054</u>	<u>-</u>	<u>180,054</u>
Total Expenditures	<u>330,000</u>	<u>226,284</u>	<u>70,798</u>	<u>155,486</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(190,976)</u>	<u>(35,490)</u>	<u>155,486</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (190,976)</u>	<u>(35,490)</u>	<u>\$ 155,486</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>35,490</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
BULLETPROOF VEST GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 2,240	\$ 2,240	\$ -
Total revenues	-	2,240	2,240	-
EXPENDITURES				
PUBLIC SAFETY				
Contractual services	-	4,480	4,480	-
Total Expenditures	-	4,480	4,480	-
Excess (deficiency) of revenues over expenditures	-	(2,240)	(2,240)	-
OTHER FINANCING SOURCES				
Transfers in	-	2,240	2,240	-
Total other financing sources	-	2,240	2,240	-
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ -	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
DUI GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
REVENUES				
Intergovernmental	<u>\$ 40,874</u>	<u>\$ 37,200</u>	<u>\$ 37,380</u>	<u>\$ 180</u>
Total revenues	<u>40,874</u>	<u>37,200</u>	<u>37,380</u>	<u>180</u>
EXPENDITURES				
PUBLIC SAFETY				
Personnel Services	<u>64,198</u>	<u>63,264</u>	<u>61,951</u>	<u>1,313</u>
Total Expenditures	<u>64,198</u>	<u>63,264</u>	<u>61,951</u>	<u>1,313</u>
Excess (deficiency) of revenues over expenditures	<u>(23,324)</u>	<u>(26,064)</u>	<u>(24,571)</u>	<u>1,493</u>
OTHER FINANCING SOURCES				
Transfers in	<u>23,324</u>	<u>26,064</u>	<u>24,571</u>	<u>(1,493)</u>
Total other financing sources	<u>23,324</u>	<u>26,064</u>	<u>24,571</u>	<u>(1,493)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - October 1 - GAAP basis			299	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			<u>\$ 299</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
BUDGET AND ACTUAL -- BUDGETARY BASIS
JAG HOTSPOT GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 62,000	\$ 132,000	\$ 134,584	\$ 2,584
Total revenues	<u>62,000</u>	<u>132,000</u>	<u>134,584</u>	<u>2,584</u>
EXPENDITURES				
PUBLIC SAFETY				
Personnel Services	75,804	105,418	104,747	671
Capital Outlay	<u>-</u>	<u>46,595</u>	<u>44,407</u>	<u>2,188</u>
Total Expenditures	<u>75,804</u>	<u>152,013</u>	<u>149,154</u>	<u>2,859</u>
Excess (deficiency) of revenues over expenditures	<u>(13,804)</u>	<u>(20,013)</u>	<u>(14,570)</u>	<u>5,443</u>
OTHER FINANCING SOURCES				
Transfers in	<u>13,804</u>	<u>26,064</u>	<u>14,570</u>	<u>(11,494)</u>
Total other financing sources	<u>13,804</u>	<u>26,064</u>	<u>14,570</u>	<u>(11,494)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 6,051</u>	<u>-</u>	<u>\$ (6,051)</u>
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			<u>-</u>	
Fund balance - September 30 - GAAP basis			<u>\$ -</u>	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
MDOT GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
PUBLIC WORKS				
Capital Outlay	-	17,400	15,900	1,500
Total Expenditures	-	17,400	15,900	1,500
Excess (deficiency) of revenues over expenditures	-	(17,400)	(15,900)	1,500
OTHER FINANCING SOURCES				
Transfers in	-	17,400	15,900	(1,500)
Total other financing sources	-	17,400	15,900	(1,500)
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance - October 1 - GAAP basis			-	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ -	

CITY OF D'IBERVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 8,144	\$ 8,144
Total revenues	-	-	8,144	8,144
EXPENDITURES				
DEBT SERVICE				
Principal payments	1,878,937	1,873,937	1,623,937	250,000
Interest payments	1,040,224	994,137	994,137	-
Total Expenditures	2,919,161	2,868,074	2,618,074	250,000
Excess (deficiency) of revenues over expenditures	(2,919,161)	(2,868,074)	(2,609,930)	258,144
OTHER FINANCING SOURCES				
Transfers in	2,919,161	2,868,074	3,739,324	871,250
Payments to escrow agents	-	-	(250,000)	(250,000)
Total other financing sources	2,919,161	2,868,074	3,489,324	621,250
Excess of revenues and other sources over expenditures	\$ -	\$ -	879,394	\$ 879,394
Fund balance - October 1 - GAAP basis			956,081	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ 1,835,475	

CITY OF D'IBERVILLE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL – BUDGETARY BASIS
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with final budget Positive (Negative)
REVENUES				
Interest Income	\$ -	\$ -	\$ 215	\$ 215
Total revenues	-	-	215	215
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	215	215
OTHER FINANCING SOURCES				
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Excess of revenues and other sources over expenditures	\$ -	\$ -	215	\$ 215
Fund balance - October 1 - GAAP basis			41,170	
Receivable/revenue adjustments			-	
Payable/expenditure adjustments			-	
Fund balance - September 30 - GAAP basis			\$ 41,385	

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CITY OF D'IBERVILLE
SCHEDULE OF SURETY BONDS FOR PUBLIC OFFICIALS
SEPTEMBER 30, 2017

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

SECTION III
STATISTICAL SECTION
(UNAUDITED)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,873,620	\$ 11,184,759	\$ 12,266,211	\$ 19,453,860	\$ 23,552,829	\$ 27,113,673	\$ 29,986,677	\$ 30,821,910	\$ 33,618,225	\$ 43,851,601
Restricted					13	34,345	1,064,954	1,173,602	135,048	188,848
Unrestricted	6,580,913	3,964,747	4,901,718	3,238,907	6,564,527	6,884,925	7,037,865	(1,411,441)	(3,793,641)	(20,002,186)
Total governmental activities net assets	\$ 11,454,533	\$ 15,149,506	\$ 17,167,929	\$ 22,692,767	\$ 30,117,369	\$ 34,032,943	\$ 38,089,496	\$ 30,584,071	\$ 29,959,632	\$ 24,038,263
Business-type activities										
Invested in capital assets, net of related debt	\$ 8,063,220	\$ 14,308,417	\$ 14,762,097	\$ 13,879,151	\$ 14,468,775	\$ 15,068,711	\$ 15,120,132	\$ 15,426,369	\$ 15,982,785	\$ 18,949,964
Restricted		622,095	469,960	735,540	712,083	571,056	566,148	561,370	3,417	2,289
Unrestricted	2,057,411	1,285,022	1,217,073	2,579,513	2,758,476	2,733,713	3,184,748	2,341,279	3,377,606	2,807,926
Total business-type activities net assets	\$ 10,120,631	\$ 16,215,534	\$ 16,449,130	\$ 17,194,204	\$ 17,939,334	\$ 18,373,480	\$ 18,871,028	\$ 18,329,018	\$ 19,363,808	\$ 21,760,179
Primary government										
Invested in capital assets, net of related debt	\$ 12,936,840	\$ 25,493,176	\$ 27,028,308	\$ 33,333,011	\$ 38,021,604	\$ 42,182,384	\$ 45,106,809	\$ 46,248,279	\$ 49,601,010	\$ 62,801,565
Restricted		622,095	469,960	735,540	712,096	605,401	1,631,102	1,734,972	138,465	191,137
Unrestricted	8,638,324	5,249,769	\$ 6,118,791	\$ 5,818,420	\$ 9,323,003	\$ 9,618,638	\$ 10,222,613	\$ 929,838	\$ (416,035)	\$ (17,194,260)
Total primary government net assets	\$ 21,575,164	\$ 31,365,040	\$ 33,617,059	\$ 39,886,971	\$ 48,056,703	\$ 52,406,423	\$ 56,960,524	\$ 48,913,089	\$ 49,323,440	\$ 45,798,442

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 3,300,774	\$ 3,955,407	\$ 3,773,443	\$ 3,006,599	\$ 2,636,424	\$ 2,894,304	\$ 2,442,639	\$ 2,915,389	\$ 2,644,455	\$ 2,294,228
Public safety	3,910,276	4,413,359	4,550,491	3,783,045	4,038,219	4,333,026	4,635,352	5,219,511	6,197,523	5,836,069
Public works	2,110,843	1,847,908	2,030,646	2,011,478	2,821,096	4,597,636	2,651,389	3,039,357	3,388,586	3,752,304
Economic development	140,666	449,588	521,426	627,794	491,902	966,759	16,334,236	13,303,726	2,385,859	5,011,319
Culture and recreation	955,351	1,019,707	1,043,907	698,496	670,948	500,332	574,263	608,089	597,596	1,865,884
Interest	336,868	598,116	499,316	578,276	681,159	903,741	1,314,967	970,185	819,221	1,890,499
Bond issuance costs									92,872	
Total governmental activities	10,754,778	12,284,085	12,419,229	10,705,688	11,339,748	14,195,798	27,952,846	26,056,257	16,126,112	20,650,303
Business-type activities:										
Water and Sewer	2,771,144	2,607,693	3,251,561	2,814,652	3,078,738	3,327,429	2,971,015	3,217,449	3,613,821	3,487,286
Waterfront Development	170,645	139,341	135,745	136,762	185,511	221,874	341,061	402,594	272,627	177,710
Total business-type activities	2,941,789	2,747,034	3,387,306	2,951,414	3,264,249	3,549,303	3,312,076	3,620,043	3,886,448	3,664,996
Total primary government	\$ 13,696,567	\$ 15,031,119	\$ 15,806,535	\$ 13,657,102	\$ 14,603,997	\$ 17,745,101	\$ 31,264,922	\$ 29,676,300	\$ 20,012,560	\$ 24,315,299
Program Revenues										
Governmental activities:										
Charges for services:										
General government	-	-	-	-	-	-	-	-	400,022	615,633
Public safety	389,147	542,378	562,981	761,096	759,943	870,924	735,771	694,121	737,913	681,509
Public works	403,018	452,410	388,814	425,154	455,630	343,914	456,287	433,192	444,116	310,748
Economic Development	388,103	411,740	194,818	231,488	404,051	342,811	639,975	336,656	5,216	2,187
Culture and recreation	-	-	-	10,305	24,378	23,535	1,801	1,720	1,840	-
Operating grants and contributions	2,007,504	751,053	309,162	582,624	625,290	2,725,906	406,321	600,385	446,028	422,380
Capital grants and contributions	507,955	8,088,553	4,042,455	5,729,042	5,557,628	4,718,631	17,476,121	13,352,125	1,093,470	880,117
Total governmental activities	3,695,727	10,246,134	5,498,230	7,739,709	7,826,920	9,025,721	19,716,276	15,418,199	3,128,605	2,912,574
Business-type activities:										
Charges for services:										
Water and sewer	3,828,174	3,344,445	3,279,790	3,432,932	3,641,661	3,789,078	3,856,318	3,851,907	4,121,564	4,131,322
Waterfront Development	20,302	21,958	24,188	19,962	15,560	6,586	12,749	13,272	14,445	10,877
Operating grants and contributions	479,208	-	-	-	73,728	106,123	-	-	-	-
Capital grants and contributions	162,177	3,402,263	167,787	-	-	-	232,928	352,603	155,411	322,894
Total business-type activities	4,469,861	6,768,666	3,471,765	3,452,894	3,730,949	3,901,787	4,101,995	4,217,782	4,291,420	4,465,093
Total primary government	8,165,588	17,014,800	8,969,995	11,192,603	11,557,869	12,927,508	23,818,271	19,635,981	7,420,025	7,377,667
Net Revenue/(Expense)										
Governmental activities	(7,059,051)	(2,037,951)	(6,920,999)	(2,965,979)	(3,512,828)	(5,170,077)	(8,236,570)	(10,638,058)	(12,997,507)	(17,737,729)
Business-type activities	1,548,072	4,021,632	84,459	501,480	466,700	352,484	789,919	597,739	404,972	800,097
Total primary government net revenue/(expense)	\$ (5,510,979)	\$ 1,983,681	\$ (6,836,540)	\$ (2,464,499)	\$ (3,046,128)	\$ (4,817,593)	\$ (7,446,651)	\$ (10,040,319)	\$ (12,592,535)	\$ (16,937,632)

(Continued)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other										
Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 1,738,561	\$ 2,151,388	\$ 2,286,520	\$ 2,603,311	\$ 2,739,560	\$ 2,838,888	\$ 3,343,675	\$ 3,282,355	\$ 3,298,107	\$ 4,268,682
Sales taxes	4,528,094	4,400,504	5,546,989	5,605,223	5,728,228	5,960,425	6,169,723	6,638,041	7,384,265	7,365,967
Franchise taxes	294,500	311,371	345,495	335,954	319,186	330,753	397,123	454,999	466,922	459,140
Grants and contributions not restricted									146,874	153,081
Gaming revenue									1,391,924	1,633,949
Unrestricted investment earnings	179,844	107,704	127,758	37,607	20,538	44,735	43,702	45,836	60,042	101,857
Insurance proceeds	-	18,668	11,970	10,724	27,584	35,385	26,013	21,088	18,537	
Lease revenue	132,921	142,357	113,965	95,317	95,195	112,545	85,983	225,849	160,607	210,872
British Petroleum settlement								948,027		
Miscellaneous	20,430	449,877	629,890	23,552	2,470,010	357,583	710,102	60,570	111,647	90,908
Gain on asset disposal	6,190									
Transfers	(193,848)	(2,079,006)	(123,165)	(220,871)	(212,172)		(40,523)	(72,213)	(627,939)	(1,591,305)
Total governmental activities	<u>6,706,692</u>	<u>5,502,863</u>	<u>8,939,422</u>	<u>8,490,817</u>	<u>11,188,129</u>	<u>9,680,314</u>	<u>10,735,798</u>	<u>11,604,552</u>	<u>12,410,986</u>	<u>12,693,151</u>
Business-type activities:										
Property taxes	17,834	26,474	25,804	22,658	31,679	36,790	2,034	1,555	1,522	1,537
Investment earnings	47,605	1,034	168	65	74	73	72	78	357	3,432
Transfers							40,523	72,213	627,939	1,591,305
Miscellaneous	193,848	2,079,006	123,165	220,871	246,677	5,406				
Total business-type activities	<u>259,287</u>	<u>2,106,514</u>	<u>149,137</u>	<u>243,594</u>	<u>278,430</u>	<u>42,269</u>	<u>42,629</u>	<u>73,846</u>	<u>629,818</u>	<u>1,596,274</u>
Total primary government	<u>\$ 6,965,979</u>	<u>\$ 7,609,377</u>	<u>\$ 9,088,559</u>	<u>\$ 8,734,411</u>	<u>\$ 11,466,559</u>	<u>\$ 9,722,583</u>	<u>\$ 10,778,427</u>	<u>\$ 11,678,398</u>	<u>\$ 13,040,804</u>	<u>\$ 14,289,425</u>
Change in Net Assets										
Governmental activities	(352,359)	3,464,912	2,018,423	5,524,838	7,675,301	4,510,237	2,499,228	966,494	(586,521)	(5,044,578)
Business-type activities	1,807,359	6,128,146	233,596	745,074	745,130	394,753	832,548	671,585	1,034,790	2,396,371
Special Item - Small Community Disaster Loan Forgiveness							1,557,325			
Special Item - Net loss on sale of capital assets									(37,918)	
Total primary government	<u>\$ 1,455,000</u>	<u>\$ 9,593,058</u>	<u>\$ 2,252,019</u>	<u>\$ 6,269,912</u>	<u>\$ 8,420,431</u>	<u>\$ 4,904,990</u>	<u>\$ 4,889,101</u>	<u>\$ 1,638,079</u>	<u>\$ 410,351</u>	<u>\$ (2,648,207)</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ -	\$ -	\$ -	\$ 197,031	\$ 34,151	\$ 34,345	\$ 34,396	\$ 146,079	\$ 203,895	\$ 179,343
Unreserved	7,307,438	5,058,465	6,169,669	3,674,328	7,668,305	7,867,755	7,532,906	7,946,533	10,592,170	4,929,542
Total General fund	<u>\$ 7,307,438</u>	<u>\$ 5,058,465</u>	<u>\$ 6,169,669</u>	<u>\$ 3,871,359</u>	<u>\$ 7,702,456</u>	<u>\$ 7,902,100</u>	<u>\$ 7,567,302</u>	<u>\$ 8,092,612</u>	<u>\$ 10,796,065</u>	<u>\$ 5,108,885</u>
All other governmental funds										
Reserved	\$ 636,085	\$ 534,225	\$ 535,027	\$ 535,741	\$ 536,198	\$ 1,289,218	\$ 1,030,558	\$ 1,027,523	\$ 1,023,416	\$ 2,801,382
Unreserved, reported in										
Special revenue funds	-	-	-	-	(71,376)	(70,617)	(71,376)	(71,376)	(71,376)	(71,376)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 636,085</u>	<u>\$ 534,225</u>	<u>\$ 535,027</u>	<u>\$ 535,741</u>	<u>\$ 464,822</u>	<u>\$ 1,218,601</u>	<u>\$ 959,182</u>	<u>\$ 956,147</u>	<u>\$ 952,040</u>	<u>\$ 2,730,006</u>

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

	2008	2009	2010	2011	2012
Revenues					
Taxes					
Property	\$ 1,738,561	\$ 2,151,388	\$ 2,286,520	\$ 2,603,312	\$ 2,740,164
Sales	4,528,094	4,400,504	5,546,989	5,605,223	5,728,228
Franchise	294,500	311,371	345,495	335,954	319,186
Gaming Fees and Taxes					
Licenses and Permits	388,103	411,740	194,818	231,488	404,051
Intergovernmental	2,515,459	8,839,606	4,351,617	5,750,221	8,350,273
Other grant	-	-	-	561,444	-
Charges for services	403,018	493,328	430,292	473,838	504,461
Fines	389,147	501,460	521,503	712,412	710,508
Interest	179,845	107,704	127,758	37,606	20,538
Lease revenue	132,921	142,357	113,965	105,622	117,712
Miscellaneous	17,433	449,877	629,889	23,552	54,082
Total revenues	<u>10,587,081</u>	<u>17,809,335</u>	<u>14,548,846</u>	<u>16,440,672</u>	<u>18,949,203</u>
Expenditures					
General government	3,189,838	3,408,716	3,686,946	3,114,571	2,327,986
Public safety	3,761,008	3,956,533	4,198,555	3,504,730	3,745,186
Public works	2,110,959	1,586,540	1,343,439	1,400,956	2,143,274
Economic Development	2,614,578	472,525	490,613	605,323	482,970
Culture and recreation	958,734	983,889	964,359	590,895	548,560
Capital outlay	-	6,671,174	5,480,578	11,699,838	4,162,095
Debt Service:					
Principal	703,709	747,207	766,744	1,086,539	1,108,472
Interest	351,766	423,222	411,830	577,849	641,087
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>13,690,592</u>	<u>18,249,806</u>	<u>17,343,064</u>	<u>22,580,701</u>	<u>15,159,630</u>
Excess of revenues over (under) expenditures	<u>(3,103,511)</u>	<u>(440,471)</u>	<u>(2,794,218)</u>	<u>(6,140,029)</u>	<u>3,789,573</u>
Other Financing Sources (Uses)					
Insurance proceeds	2,849	18,668	11,970	10,724	27,584
Sale of property	9,990	4,092	17,419	52,580	250,434
Issuance of bonds	2,685,000	-	4,000,000	4,000,000	-
Issuance of notes	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Unamortized premium on refunding bonds	-	-	-	-	-
British Petroleum settlement	-	-	-	-	-
Original issue discount on bonds issued	-	-	-	-	-
Transfers in	1,434,083	1,653,147	3,333,600	3,913,267	2,200,605
Transfers out	(1,627,931)	(3,732,153)	(3,456,765)	(4,134,138)	(2,412,777)
Total other financing sources (uses)	<u>2,503,991</u>	<u>(2,056,246)</u>	<u>3,906,224</u>	<u>3,842,433</u>	<u>65,846</u>
Net change in fund balances	<u>\$ (599,520)</u>	<u>\$ (2,496,717)</u>	<u>\$ 1,112,006</u>	<u>\$ (2,297,596)</u>	<u>\$ 3,855,419</u>
Debt service as a percentage of noncapital expenditures	7.71%	11.25%	11.03%	18.06%	18.92%

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

	2013	2014	2015	2016	2017
Revenues					
Taxes					
Property	\$ 2,838,888	\$ 3,343,675	\$ 3,282,355	\$ 3,298,107	\$ 4,268,682
Sales	5,960,425	6,169,723	6,638,041	7,384,265	7,365,967
Franchise	330,753	397,123	454,999	466,922	459,140
Gaming Fees and Taxes					1,633,949
Licenses and Permits	321,498	618,794	314,199	399,882	437,514
Intergovernmental	7,465,850	17,903,625	13,928,393	3,078,296	1,258,144
Other grant					
Charges for services	396,383	458,324	435,298	446,097	478,428
Fines	774,394	686,726	629,460	634,356	813,063
Interest	44,735	43,702	45,835	60,042	101,857
Lease revenue	134,280	85,983	225,849	160,607	210,872
Miscellaneous	112,949	702,534	104,068	115,496	77,686
Total revenues	<u>18,380,155</u>	<u>30,410,209</u>	<u>26,058,497</u>	<u>16,044,070</u>	<u>17,105,302</u>
Expenditures					
General government	2,670,504	2,211,797	2,605,099	2,349,792	2,145,912
Public safety	4,010,037	4,395,297	4,675,665	5,409,464	5,333,050
Public works	3,865,061	1,713,601	1,990,660	2,293,929	2,072,255
Economic Development	963,795	16,337,163	13,268,009	2,353,432	5,011,319
Culture and recreation	393,878	476,667	512,493	526,687	595,949
Capital outlay	16,051,236	5,724,164	1,230,367	4,600,244	10,848,441
Debt Service:					
Principal	1,136,424	3,080,081	1,875,899	1,652,262	1,623,937
Interest	901,869	1,371,039	1,031,286	1,048,977	994,137
Bond issuance costs				92,872	682,650
Total expenditures	<u>29,992,804</u>	<u>35,309,809</u>	<u>27,189,478</u>	<u>20,327,659</u>	<u>29,307,650</u>
Excess of revenues over (under) expenditures	<u>(11,612,649)</u>	<u>(4,899,600)</u>	<u>(1,130,981)</u>	<u>(4,283,589)</u>	<u>(12,202,348)</u>
Other Financing Sources (Uses)					
Insurance proceeds	35,385	26,013	21,088	18,537	12,358
Sale of property	244,522	7,568	3,136	5,141,765	864
Issuance of bonds	12,468,141			4,855,200	
Issuance of notes	-	2,755,000	753,218	-	10,820,000
Payment to bond refunding escrow agent				(2,490,917)	(250,000)
Unamortized premium on refunding bonds				86,289	
British Petroleum settlement	-	-	948,027	-	
Original issue discount on bonds issued					(698,783)
Transfers in	2,194,779	2,956,044	2,942,410	3,849,718	7,676,269
Transfers out	(2,194,779)	(2,996,567)	(3,014,623)	(4,477,657)	(9,267,574)
Total other financing sources (uses)	<u>12,748,048</u>	<u>2,748,058</u>	<u>1,653,256</u>	<u>6,982,935</u>	<u>8,293,134</u>
Special Item - SCDL Forgiveness		1,557,325			
Net change in fund balances	<u>\$ 1,135,399</u>	<u>\$ (594,217)</u>	<u>\$ 522,275</u>	<u>\$ 2,699,346</u>	<u>\$ (3,909,214)</u>
Debt service as a percentage of noncapital expenditures	17.12%	17.71%	12.61%	20.74%	16.53%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Gaming Tax</u>	<u>Total</u>
2008	1,738,561	4,528,094	294,500	-	6,561,155
2009	2,151,388	4,400,504	311,371	-	6,863,263
2010	2,286,520	5,546,989	345,945	-	8,179,454
2011	2,603,312	5,605,223	335,954	-	8,544,489
2012	2,740,164	5,728,228	319,186	-	8,787,578
2013	2,838,888	5,960,425	330,753	-	9,130,066
2014	3,343,675	6,169,723	397,123	-	9,910,521
2015	3,282,355	6,638,041	454,999	-	10,375,395
2016	3,298,107	7,384,265	466,922	-	11,149,294
2017	4,268,682	7,365,967	459,140	1,633,949	13,727,738

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Land Holdings I, LLC	\$ 18,032,173	1				
Scarlett Pearl	9,072,168	2				
Promenade	5,667,982	3				
Mississippi Power Company	3,556,230	4		\$ 2,776,020	1	4.47%
Wal-mart Real Estate Bus. Trust	2,025,794	5		\$ 1,617,700	2	2.61%
Landmark of Diberville	1,945,390	6				
Arbor View II, LLC	1,871,960	7		1,572,346	3	2.54%
Target Corporation	1,441,217	8				
EPT Biloxi Inc.	1,323,453	9		1,236,792	7	2.00%
Wal-mart Supercenter # 2715	1,260,144	10		1,487,186	4	2.40%
Walmart Stores East Inc,						
Encore D'Iberville Hotel, LLC						
Bell South Telecommunications				1,134,406	8	1.83%
Arbor View IV LLC				1,409,155	5	2.27%
30 West Perishing LLC				996,481	9	1.61%
Lowe's Home Centers, Inc.				1,274,232	6	2.06%
Lowes Home Centers				810,019		1.31%
Total	46,196,511		31.23%	14,314,337		23.10%
Other Taxpayers	101,725,360		68.77%	47,645,827		76.90%
Total All Taxpayers	\$ 147,921,871		100.00%	\$ 61,960,164		100.00%

Source: Office of the County Tax Collector

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

Calendar Year Ended December 31	Total Tax Levy for Fiscal Year	Total Collections to Date	
		Amount	Percentage of levy
2007	1,684,219	1,738,561	103.23%
2008	2,061,819	2,151,388	104.34%
2009	2,182,284	2,286,520	104.78%
2010	2,477,883	2,603,312	105.06%
2011	2,552,491	2,740,164	107.35%
2012	2,622,030	2,838,888	108.27%
2013	3,159,500	3,343,675	105.83%
2014	3,068,791	3,282,355	106.96%
2015	3,159,123	3,283,388	103.93%
2016	4,043,838	4,268,682	105.56%

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

	Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Automotive					\$ 88,058	\$ 52,228	\$ 51,970	\$ 46,606	\$ 59,994	\$ 71,578
Machinery, Equipment, and Supplies					10,148	10,138	6,491	4,578	4,807	6,038
Accommodation & Food Services	80,351	81,690	69,576	68,721	90,193	88,164	87,640	82,237	68,799	69,013
Furniture and Fixtures					20,078	20,491	20,180	16,560	4,689	7,451
Public Utilities					18,402		-	-	-	-
Apparel and General Merchandise					181,793	185,269	185,924	163,310	133,095	124,232
Lumber and Building Materials					30,942	31,341	35,132	36,196	40,335	47,661
Miscellaneous Retail					30,078	28,296	26,216	25,792	17,963	16,396
Miscellaneous Services	18,736	18,070	14,930	11,924	11,810	11,987	14,655	13,477	11,139	12,655
Construction	1,829	1,124	1,814	1,501	1,332	1,204	1,611	1,960	2,236	6,008
Manufacturing	8,925	8,398	3,191	3,354						
Wholesale Trade	2,999	2,836	3,662	3,097						
Retail Trade	470,511	459,169	418,106	393,380						
Information	21,254	19,797		18,221						
Real Estate, Rental, & Leasing	13,081	8,434	2,234	2,443						
Professional, Scientific, Technical Services	284	367	247	82						
Arts, Entertainment, & Recreation	3,531	2,148	2,311	1,798	9,041	9,363	9,220	-	-	-
Total	<u>\$ 621,501</u>	<u>\$ 602,033</u>	<u>\$ 516,071</u>	<u>\$ 504,521</u>	<u>\$ 491,875</u>	<u>\$ 438,481</u>	<u>\$ 439,039</u>	<u>\$ 390,716</u>	<u>\$ 343,057</u>	<u>\$ 361,032</u>

Source: Department of Revenue

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

Fiscal Year	Governmental Activities						Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Tax Increment Financing Bonds	Capital Leases	Notes Payable	Certificates of Participation	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases			
2008	8,644,160	725,744	1,281,462	-	-	-	5,110,000	2,302,494	56,151	18,120,011	10.93%	2,183
2009	8,094,160	528,536	1,281,462	-	-	-	4,870,000	2,126,843	38,090	16,939,091	12.32%	2,135
2010	7,479,160	376,793	1,281,462	-	4,000,000	-	4,785,000	2,114,723	19,381	20,056,519	11.15%	2,114
2011	6,734,160	230,254	1,281,462	-	3,805,000	4,000,000	7,350,000	1,909,922	-	25,310,798	14.09%	2,566
2012	5,880,000	175,942	1,281,462	-	3,605,000	4,000,000	6,955,000	1,696,860	-	23,594,264	12.61%	2,392
2013	17,160,000	119,518	1,281,462	-	3,395,000	3,850,000	6,530,000	1,475,187	-	33,811,167	13.57%	2,959
2014	15,940,000	60,899	-	2,610,000	3,175,000	3,695,000	6,095,000	1,244,544	-	32,820,443	14.69%	2,905
2015	14,665,000	753,218	-	2,460,000	2,945,000	3,535,000	5,645,000	1,004,543	-	31,007,761	9.77%	2,613
2016	16,050,000	685,956	-	2,305,000	2,480,000	3,360,000	5,545,000	883,776	-	31,309,732	12.24%	2,746
2017	25,640,000	617,019	-	2,145,000	2,480,000	3,195,000	4,980,000	711,809	-	39,768,828	14.93%	3,457

Note:

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

Demographic and economic data can be found on page 85 of this report.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 9,145,000	\$ 11,864,508	\$ 12,283,204	\$ 13,915,807	\$ 13,769,765	\$ 14,122,353	\$ 16,540,205	\$ 16,730,843	\$ 17,376,677	\$ 19,708,281
Net debt applicable to limit	<u>1,281,462</u>	<u>1,281,462</u>	<u>5,281,462</u>	<u>5,086,462</u>	<u>4,886,462</u>	<u>4,676,462</u>	<u>3,175,000</u>	<u>2,945,000</u>	<u>2,480,000</u>	<u>2,480,000</u>
Net debt applicable to the limit as a percentage of debt limit	14.01%	10.80%	43.00%	36.55%	35.49%	33.11%	19.20%	17.60%	14.27%	12.58%

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	\$ 147,921,871
Debt limit (15% of total assessed value)	22,188,281
Debt applicable to limit:	
General obligation bonds	2,480,000
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>2,480,000</u>
Legal debt margin	<u>\$ 19,708,281</u>

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

Fiscal Year	Sewer Revenue Bonds					
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	3,828,174	2,435,289	1,392,885	230,000	335,855	246.16%
2009	3,344,445	2,293,747	1,050,698	240,000	251,143	213.93%
2010	3,279,790	2,774,141	505,649	250,000	240,343	103.12%
2011	3,432,932	2,433,664	999,268	310,000	210,169	192.10%
2012	3,641,661	2,728,244	913,417	395,000	293,013	132.76%
2013	3,789,078	2,665,421	1,123,657	425,000	282,863	158.74%
2014	3,856,318	2,660,909	1,195,409	435,000	271,363	169.23%
2015	3,851,907	2,936,518	915,389	450,000	256,213	129.62%
2016	4,121,564	2,744,842	1,376,722	465,000	240,513	195.14%
2017	4,131,322	2,794,946	1,336,376	565,000	109,558	198.11%

Notes:

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

Sewer charges and other includes investment earnings, ad valorem reciepts but not impact fees.

Operating expenses do not include interest, depreciation, or amortization.

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>
2008	7,423	135,112	18,202	6.0%	35.7
2009	7,928	137,390	17,330	7.5%	33.5
2010	9,486	179,930	18,968	9.2%	36.9
2011	9,865	179,632	18,209	9.6%	32.3
2012	9,865	187,119	18,968	8.6%	33
2013	11,426	249,212	21,811	7.8%	33
2014	11,638	230,165	19,777	7.1%	33
2015	11,870	317,594	26,756	5.8%	33.6
2016	11,400	255,713	22,431	5.6%	35.3
2017	11,503	266,294	23,150	4.5%	36.2

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

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Scarlett Pearl	991	1	14.9%			
Wal-mart Supercenter	403	2	6.1%	513	1	13.8%
City of D'Iberville	147	3	2.2%			
Lowes	135	4	2.0%	133	2	3.6%
Olive Garden	116	5	1.7%			
Greenbriar Nursning Home	115	6	1.7%			
Kohl's	112	7	1.7%			
Target	102	8	1.5%			
Saad's	88	9	1.3%			
Chick-Fil-A	85	10	1.3%			
Outback Steakhouse				100	3	2.7%
Winn Dixie				100	4	2.7%
D'Iberville Elementary School				95	5	2.6%
High Cotton Grill				94	6	2.5%
D'Iberville Middle School				90	7	2.4%
D'Iberville High School				80	8	2.2%
Ruby Tuesday				80	9	2.2%
Chili's Grill & Bar				74	10	2.0%
Total	2,294		34.4%	1,359		36.7%
Other Employers	4,344		65.6%	2,354		63.3%
Total Employment	6,638		100.0%	3,713		100.0%

Total employment estimate information obtained from the Bureau of Labor Statistics



CITY OF D'IBERVILLE, MISSISSIPPI
FULL -TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
Last ten calendar years

Function	<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>2017</u>
General government										
City Management	2	2	2	2	2	1	2	2	2	2
Finance & Administration	3	3	4	3	3	2	4	4	5	5
Building	6	6	6	4	4	4	5	5	5	5
Judicial	5	4	3	2	4	4	4	4	4	5
Planning			5	4	4	4	3	4	3	2
Public Safety										
Police ¹	7	26	28	29	30	35	36	37	39	39
Fire	28	28	26	25	24	25	30	30	31	34
Highways & Streets										
Maintenance	10	9	16	13	17	16	16	19	21	22
Culture & Recreation	11	19	6	6	5	7	7	7	8	5
Water	13	12	12	14	12	12	13	13	13	12
TOTAL	<u>85</u>	<u>109</u>	<u>108</u>	<u>102</u>	<u>105</u>	<u>110</u>	<u>120</u>	<u>125</u>	<u>131</u>	<u>131</u>

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

CITY OF D'IBERVILLE, MISSISSIPPI
OPERATING INDICATORS BY FUNCTION
Last ten calendar years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Number of calls answered	901	1062	1086	1126	1209	1244	1546	1706	1620	1592
Highways and streets										
Street resurfacing (miles) ¹	2.84	2.9	5.6	1.8	3	1.4	0	0	3.4	0
Water										
New connections	97	75	74	111	30	30	35	31	97	105
Waters main breaks	117	71	21	43	57	48	7	8	7	11
Average daily consumption (thousands of gallons)	964	949	917	845	777	916	863	849	942	970
Wastewater²										
Average daily sewage treatment (thousands of gallons)	907.47	836.41	1057.73	917.4	995.26	1061.1	1074.66	1095.23	1116.4	1160

¹ Data not available until 2006

² Data provided by Harrison County Wastewater Utility Authority

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police:										
Patrol units	31	33	44	42	41	43	41	45	48	54
Fire stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	56.72	58.05	58.05	58.05	58.05	62.62	62.62	62.62	64.5	112.5
Streetlights	1250	1250	1250	1250	1330	1392	1392	1452	1222	1290
Traffic signals	20	20	20	20	20	24	24	26	26	26
School signals	8	8	8	8	8	10	10	10	10	6
Culture and recreation										
Parks acreage	55	55	55	55	55	117	117	117	117	117
Parks	5	5	5	5	5	4	4	4	8	8
Tennis courts	10	10	10	10	10	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	56.69	57.65	57.72	57.72	57.72	82.99	82.99	82.99	83.75	85.5
Fire hydrants	461	506	531	535	675	706	716	747	757	787
Number of water wells	6	6	6	6	6	5	5	5	4	4
Maximum daily capacity (thousands of gallons)	5270	5270	5270	5270	5270	5270	5270	5270	5270	5270
Sewer										
Sanitary sewers (miles)	52.74	72.81	70.75	70.75	71.31	84.89	84.89	84.89	85.5	86.5
Maximum daily treatment capacity (thousands of gallons)	1120	1120	1120	1120	2620	2620	2620	2620	2620	2620

SECTION IV
COMPLIANCE SECTION

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

Certified Public Accountants

HANCOCK BANK BUILDING

2510 - 14TH STREET

P.O. BOX 129

GULFPORT, MISSISSIPPI 39502

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**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***

March 13, 2018

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of D'Iberville, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise City of D'Iberville, Mississippi's basic financial statements, and have issued our report thereon dated March 13, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wendy Woodworth & Son

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

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

Certified Public Accountants

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

March 13, 2018

Mayor and City Council
City of D'Iberville, Mississippi

We have audited the basic financial statements of the City of D'Iberville, Mississippi as of and for the year ended September 30, 2017 and have issued our report dated March 13, 2018. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

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

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

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

Wright Ward Hatten & Guel

CITY OF D'IBERVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

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

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

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