



CITY OF RIDGELAND, MISSISSIPPI

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2018**

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



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March 22, 2019

To the Citizens of the City of Ridgeland, Mississippi:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgeland, Mississippi, for the fiscal year ended September 30, 2018. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the management of the City of Ridgeland. This report was prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America.

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

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

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

Profile of the Government

The City of Ridgeland, incorporated in 1899, is located in central Mississippi in south Madison County. With a land area of 21 square miles, the City has grown rapidly since 1980. The City of Ridgeland has seen continuous growth in population from census figures of 11,714 in 1990 to 20,173 in 2000 to 24,047 in 2010. The latest population count as of July 1, 2017 is 24,266.

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

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

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

Factors Affecting Financial Condition - continued:

Township continues to grow and is planning a new hotel and conference center to begin construction in 2019 in addition to other hotels currently under construction. The Highland Colony Parkway corridor remains the fastest growing area of the City of Ridgeland.

Highland Colony Parkway south of the round-about continues to see development activity as well. The Renaissance Phase III project, which was approved in 2016, is planned to contain approximately 300,000 square feet of retail space and outparcel development. The first phase of Renaissance Phase III is planned to be a new Costco, which is projected to open during the fourth quarter of 2019. A developer is negotiating with a larger developer to purchase the undeveloped 50 acres across the street from the Costco site. The are currently working through the design concept and working through the City of Ridgeland project approval process.

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

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

Long-Term Financial Planning

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

Major Initiatives

The City of Ridgeland has received national recognition for Freedom Ridge Park, earning multiple awards from USA Softball and other organizations. This led to the City of Ridgeland being selected to host the Men’s and Women’s USA Softball National Championship Softball Series at Freedom Ridge Park in 2018. This marks only the second time the event was held outside of USA Softball’s headquarters in Oklahoma City, and on both occasions the City of Ridgeland was selected as the host site.

Ridgeland Recreation and Parks is also a nineteen time recipient of USA Softball’s James Ferrell Award of Excellence, awarded to cities annually for hosting the country’s highest rated softball tournaments. Ridgeland’s Freedom Ridge Park was selected as the 2007 USA Softball National Complex of the Year.

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

Financial Awards and Acknowledgements - continued:

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

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

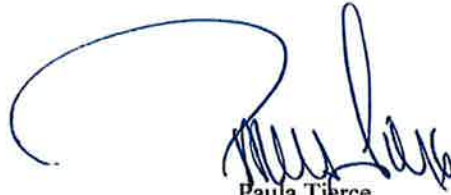
The preparation of this report on a timely basis could not have been accomplished without the cooperation of the entire staff of the Department of Finance Administration. We also wish to express our appreciation to the other departments within the City of Ridgeland for their submission of information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

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

Respectfully yours,

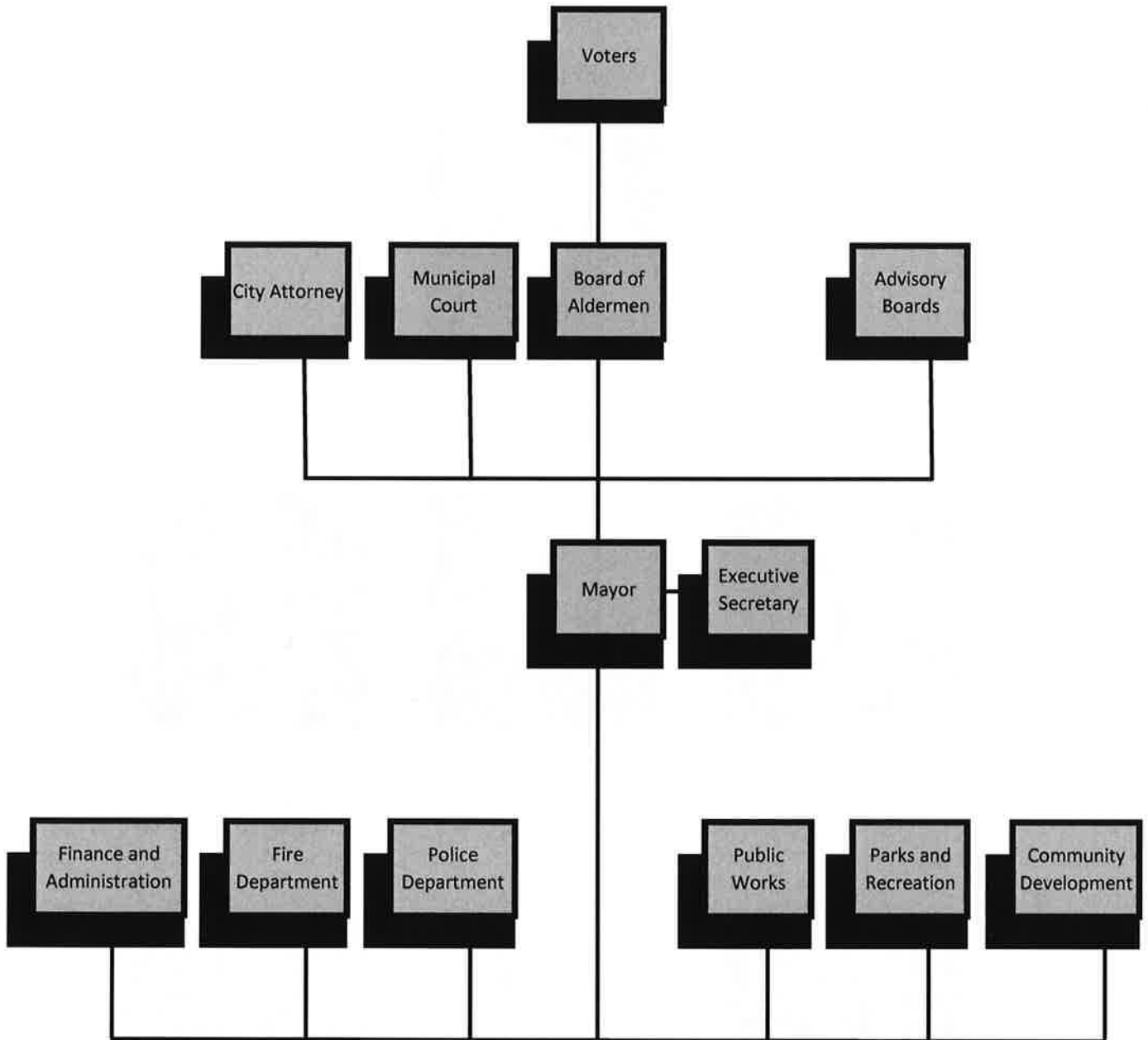


Gene F. McGee
Mayor
City of Ridgeland



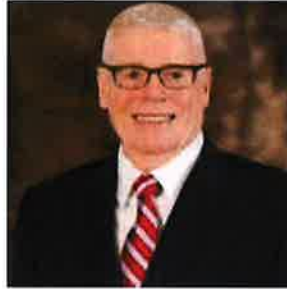
Paula Tierce
City Clerk
City of Ridgeland

**CITY OF RIDGELAND
ORGANIZATION CHART**



CITY OF RIDGELAND
LISTING OF CITY OFFICIALS (continued)
AS OF SEPTEMBER 30, 2018

Elected Officials



D.I. Smith
Alderman At Large

Appointed Officials

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

FINANCIAL SECTION

Auditor's Responsibility - continued:

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 to 36, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of the City's Contributions, and budgetary comparison information (Exhibits B1-B3) on pages 85 to 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Our discussion and analysis of the City of Ridgeland's (the City) financial performance provides an overview of the City's financial activities for the year ended September 30, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are also encouraged to review the financial statements and the notes to the financial statements to enhance their understandings of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position of the City increased \$4,858,190, as a result of this year's operations (\$364,527 decrease in 2017).
- General revenues of the City account for \$27,605,610 or 64.6% of all revenues in 2018. General revenues accounted for \$25,466,163 or 63.4% of all revenues in 2017. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,125,289 or 35.4% of total revenues in 2018, compared with \$14,734,563 or 36.6% of total revenues in 2017.
- The City had \$37,872,709 in expenses, an amount which decreased when compared with the \$40,565,253 in expenses for 2017; \$15,125,289 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$27,605,610 were adequate to provide for these programs in 2018, while general revenues of \$25,466,163 were not adequate to provide for these programs in 2017.
- Among the major funds, the General Fund had \$23,408,658 in revenues and \$22,331,638 in expenditures. In 2017, the General Fund had \$22,282,688 in revenues and \$23,038,136 in expenditures. The General Fund's fund balance increased by \$957,544 from 2017 to 2018 and decreased by \$803,695 from 2016 to 2017.
- The Public Utility Fund had \$7,043,458 in operating revenues and \$5,318,976 in operating expenses. Its increase in net position after net non-operating expenses and capital contributions was \$1,828,934. Last year it reported \$6,806,565 in operating revenues and \$6,846,917 in operating expenses. The prior year decrease in net position was \$335,063 after net non-operating expenses, transfers, and capital contributions.
- Capital assets, net of accumulated depreciation, increased by \$474,300 in the governmental activities from 2017 to 2018. Capital assets, net of accumulated depreciation, decreased by \$1,162,332 in the governmental activities from 2016 to 2017.
- Capital assets, net of accumulated depreciation, decreased by \$1,003,295 in the business-type activities from 2017 to 2018. Capital assets decreased by \$701,803 in the business-type activities from 2016 to 2017.

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

REPORTING THE CITY AS A WHOLE - CONTINUED:

Statement of Net Position and Statement of Activities - continued:

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 39. The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to the City's residents. Some funds are required to be established by State law, while others are established by the City to help control and manage money for a particular purpose. However, these fund financial statements focus on the City's most significant funds. The City's two types of funds - governmental and proprietary - utilize different accounting approaches.

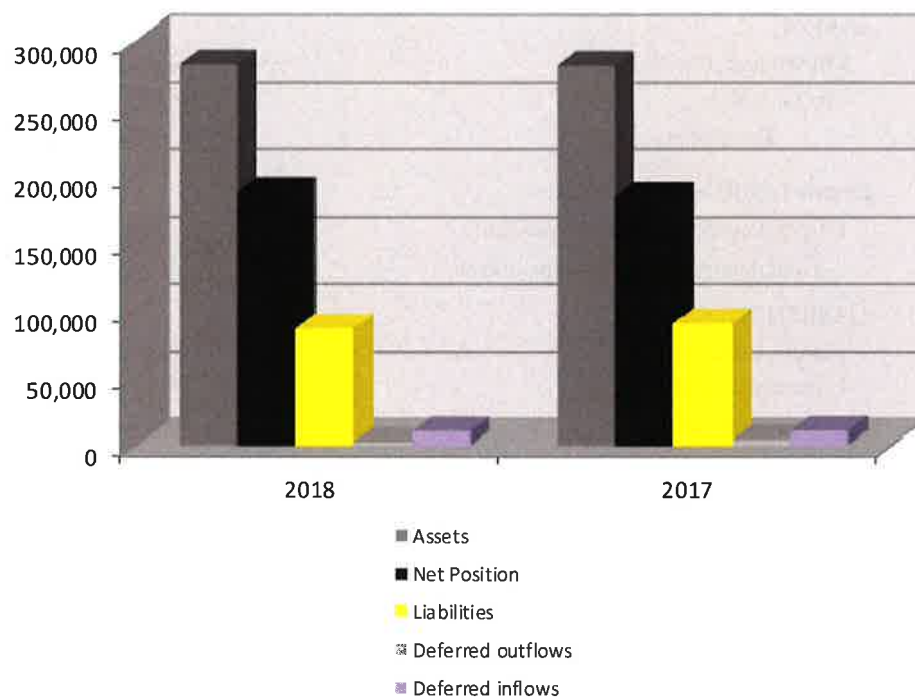
Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of the individual funds, and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called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

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities

The following chart depicts the total amount of assets, deferred outflows, liabilities, deferred inflows and net position as of September 30, 2018 and 2017 in the governmental activities column of the government-wide financial statements. The amounts are expressed in thousands.



The largest portion of the City's net position for governmental activities (\$172,800,060, or 92.0%) is net investment in capital assets (capital assets less any capital related outstanding debt used to acquire those capital assets). Although the City's investment in capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and not the capital assets themselves.

Table 1 provides a summary of the City's net position for governmental activities. The City's net position for governmental activities was \$187,877,060 and \$184,365,289 as of September 30, 2018 and 2017, respectively.

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

The Changes in Net Position for the years ended September 30, 2018 and 2017 are summarized in Table 2 below.

(Table 2)
Condensed Statements of Changes in Net Position
For the Years Ended September 30, 2018 and 2017

	2018	2017	Percentage Change
REVENUES:			
Program revenues:			
Charges for services	\$ 2,976,210	2,873,270	3.6%
Operating grants and contributions	120,552	203,572	-40.8%
Capital grants and contributions	2,722,258	478,691	468.7%
Total program revenues	5,819,020	3,555,533	63.7%
General revenues:			
Property taxes	10,088,912	9,880,924	2.1%
Sales taxes	13,597,361	13,220,505	2.9%
Other revenues	3,819,355	2,315,786	64.9%
Total general revenues	27,505,628	25,417,215	8.2%
Total revenues	33,324,648	28,972,748	15.0%
EXPENSES:			
General government	4,214,421	4,748,632	-11.2%
Public safety	11,793,113	12,314,511	-4.2%
Court services	165,804	216,418	-23.4%
Public services	8,452,730	7,581,272	11.5%
Health and welfare	54,950	86,097	-36.2%
Culture and recreation	2,741,279	2,737,577	0.1%
Interest on long-term debt	2,390,580	2,495,002	-4.2%
Total expenses	29,812,877	30,179,509	-1.2%
CHANGES IN NET POSITION BEFORE TRANSFERS	3,511,771	(1,206,761)	391.0%
TRANSFERS	-	400,000	-100.0%
INCREASE (DECREASE) IN NET POSITION	3,511,771	(806,761)	535.3%
NET POSITION, BEGINNING OF YEAR	184,365,289	185,172,050	-0.4%
NET POSITION AT END OF YEAR	\$ 187,877,060	184,365,289	1.9%

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

revenues include property tax, sales tax, intergovernmental revenues, various permit fees, franchise taxes, fines, and other sources as indicated on the accompanying graphs and tables.

Table 3
General Fund Revenues and Expenditures
For the Years Ended September 30, 2018 and 2017

	2018	2017	Dollar Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Sales tax	\$ 11,889,358	11,395,154	494,204	4.3%
Property tax	5,698,769	5,583,266	115,503	2.1%
Franchise fees	1,255,603	1,167,115	88,488	7.6%
Licenses and permits	550,788	399,184	151,604	38.0%
Intergovernmental	1,419,335	912,887	506,448	55.5%
Charges for services	857,395	815,290	42,105	5.2%
Fines and forfeitures	1,385,783	1,679,288	(293,505)	-17.5%
Contributions	23,898	32,431	(8,533)	-26.3%
Investment and interest earnings	147,505	122,843	24,662	20.1%
Other	180,224	175,230	4,994	2.8%
Total revenues	<u>23,408,658</u>	<u>22,282,688</u>	<u>1,125,970</u>	5.1%
Expenditures:				
General government	3,811,925	4,243,114	(431,189)	-10.2%
Public safety	9,970,140	10,225,267	(255,127)	-2.5%
Court services	166,514	190,579	(24,065)	-12.6%
Public services	4,694,823	4,423,107	271,716	6.1%
Health and welfare	54,950	86,097	(31,147)	-36.2%
Culture and recreation	2,210,920	2,194,921	15,999	0.7%
Capital outlay	1,292,064	1,615,169	(323,105)	-20.0%
Debt service	130,302	59,882	70,420	117.6%
Total expenditures	<u>\$ 22,331,638</u>	<u>23,038,136</u>	<u>(706,498)</u>	-3.1%

Revenues

The primary source of General Fund revenues is sales tax. The State of Mississippi levies a general sales tax of 7% on most retail sales. Of the amount collected by the state, each municipality receives 18.5% of the amount collected within its corporate boundaries. Sales tax accounted for 50.8% of

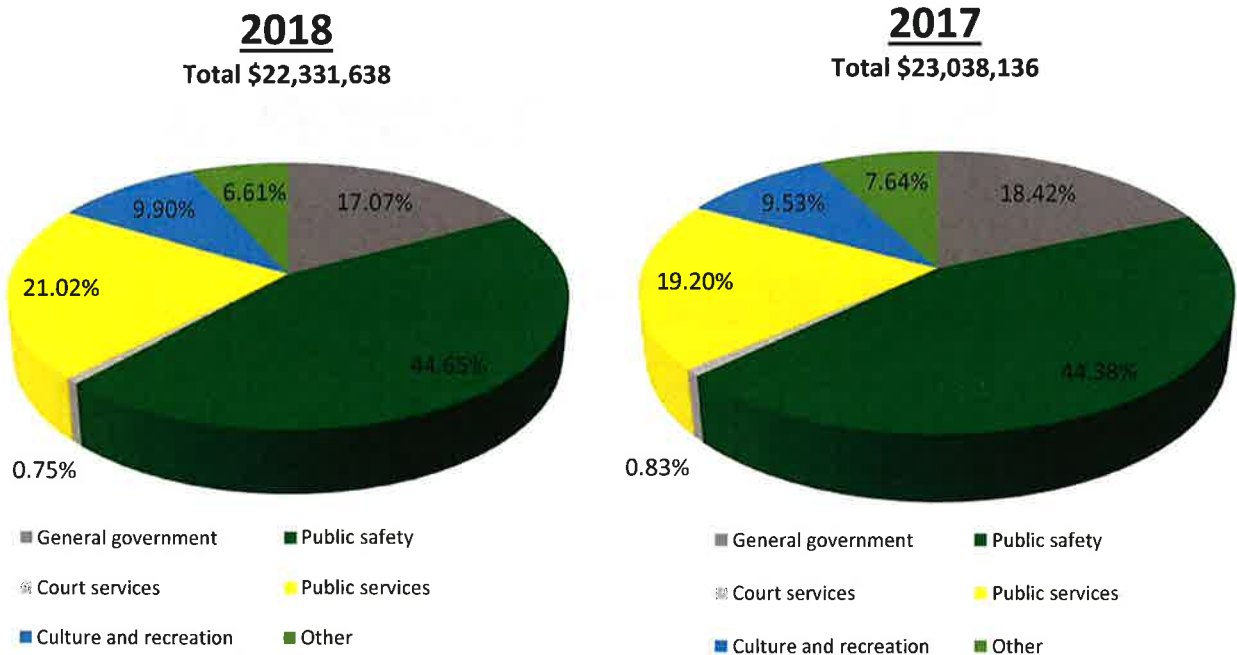
CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Expenditures

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



General Fund operating expenditures decreased \$706,498 when compared to the prior year. During the year, the City strived to save money where possible. Decreases in expenditures include a decrease in legal fees for general government in the amount of \$363,577 and a decrease in capital outlay in the amount of \$323,105.

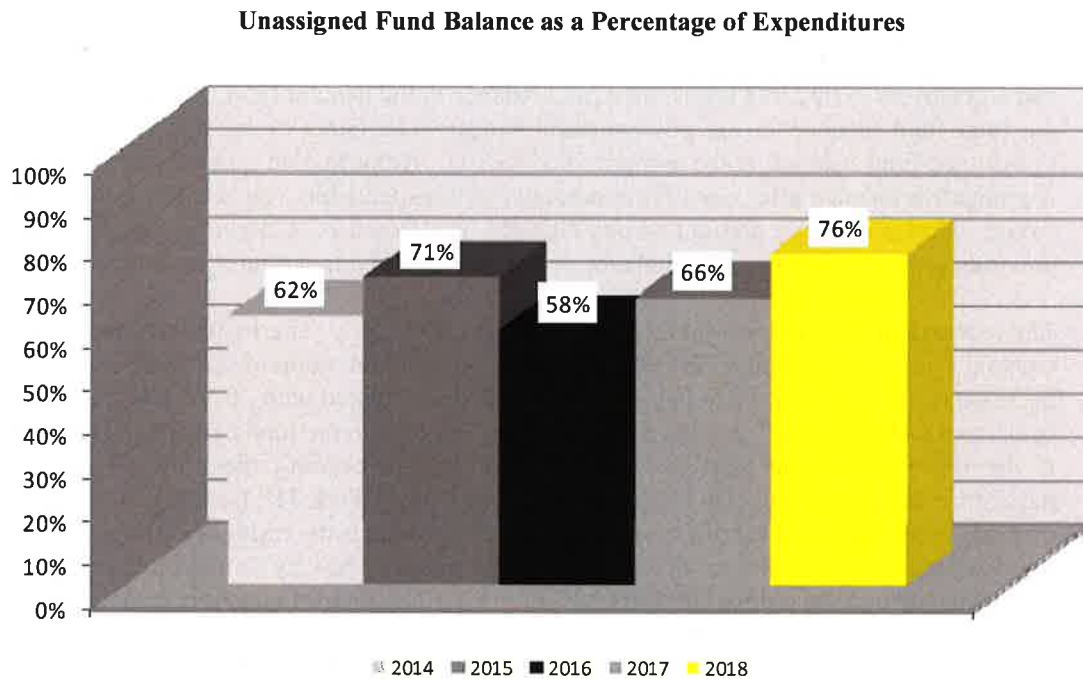
The following page shows the details of the Other category in the pie charts above by year:

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Status of Fund Balance - continued:



Other Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$35,578,909, an increase of \$1,175,012. \$16,245,293 or 45.7% of the fund balance is classified as unassigned, which represents the residual classification of fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes. The remaining fund balance of \$19,333,616 or 54.3% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities

The Statements of Net Position for the years ended September 30, 2018 and 2017 are summarized in Table 4 below.

(Table 4)
Condensed Statements of Net Position
Business-Type Activities
At September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Percentage Change</u>
ASSETS:			
Current and other assets	\$ 12,455,239	11,368,348	9.6%
Capital assets	<u>40,864,015</u>	<u>41,867,310</u>	-2.4%
Total assets	<u>53,319,254</u>	<u>53,235,658</u>	0.2%
Deferred outflows of resources:			
Deferred outflows related to pension	<u>250,062</u>	<u>439,515</u>	-43.1%
Total deferred outflows of resources	<u>250,062</u>	<u>439,515</u>	-43.1%
LIABILITIES:			
Current liabilities	2,433,858	2,834,702	-14.1%
Noncurrent liabilities	<u>13,245,056</u>	<u>14,252,990</u>	-7.1%
Total liabilities	<u>15,678,914</u>	<u>17,087,692</u>	-8.2%
Deferred inflows of resources:			
Deferred inflows related to pension	<u>250,686</u>	<u>294,184</u>	-14.8%
Total deferred inflows of resources	<u>250,686</u>	<u>294,184</u>	-14.8%
NET POSITION:			
Net investment in capital assets	29,508,774	29,446,971	0.2%
Unrestricted	<u>8,130,942</u>	<u>6,846,326</u>	18.8%
Total net position	<u>\$ 37,639,716</u>	<u>36,293,297</u>	3.7%

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

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

The Changes in Net Position for the years ended September 30, 2018 and 2017 are summarized in table 5 below.

(Table 5)
Condensed Statements of Changes in Net Position
Business-Type Activities
For the Years Ended September 30, 2018 and 2017

	2018	2017	Percentage Change
REVENUES:			
Program revenues:			
Charges for services	\$ 8,925,650	10,719,301	-16.7%
Capital grants and contributions	380,619	459,729	-17.2%
Total program revenues	<u>9,306,269</u>	<u>11,179,030</u>	-16.8%
General revenues:			
Other	99,982	48,948	104.3%
Total general revenues	<u>99,982</u>	<u>48,948</u>	104.3%
Total revenues	<u>9,406,251</u>	<u>11,227,978</u>	-16.2%
EXPENSES:			
Public utility	6,672,773	9,031,240	-26.1%
Sanitation	1,387,059	1,354,504	2.4%
Total expenses	<u>8,059,832</u>	<u>10,385,744</u>	-22.4%
CHANGE IN NET POSITION BEFORE TRANSFERS	1,346,419	842,234	59.9%
TRANSFERS	<u>-</u>	<u>(400,000)</u>	-100.0%
INCREASE IN NET POSITION	1,346,419	442,234	204.5%
NET POSITION AT BEGINNING OF YEAR	<u>36,293,297</u>	<u>35,851,063</u>	1.2%
NET POSITION AT END OF YEAR	<u>\$ 37,639,716</u>	<u>36,293,297</u>	3.7%

Total revenues of the City's business-type activities were \$9,406,251 and \$11,227,978 for the fiscal years ended September 30, 2018 and 2017, respectively. Total expenses including transfers for the City's business-type activities were \$8,059,832 for 2018 and \$10,785,744 for 2017, resulting in an increase in net position of \$1,346,419 in 2018 and an increase in net position of \$442,234 in 2017.

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

East Madison County Regional Sewer Fund

significantly in the current year. The required member billings for the East Madison County Sewage Disposal System were much lower in the current year as a result of annual payment adjustment discussed above and contributed to a large decrease in operating revenue in 2018.

Sanitation Fund

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

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 1,555,357	1,546,378
Operating expenses	<u>(1,387,059)</u>	<u>(1,354,504)</u>
Operating income	\$ <u>168,298</u>	<u>191,874</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Original budget compared to final budget

The original General Fund revenue budget of \$22,724,452 was increased by amendments totaling \$724,120 to a final revenue budget of \$23,448,572. Major components of the amendments included:

- Revenues for intergovernmental revenues were increased \$643,028 for participating revenues expected to be received from Madison County, Mississippi, for various street projects and various grants received during the year.

The original General Fund expense budget of \$23,625,243 was increased by various amendments totaling \$925,877 to a final expense budget of \$24,551,120. Major components of the amendments included:

- Expenditures for general government other services and charges were decreased \$292,373 as a result of a decrease in legal fee expenses.
- Expenditures for public safety capital outlay expenses were increased \$180,183 for additional capital grants received in 2018 and the allocation of a portion of the savings in legal fees discussed above in the amount of \$156,931 to public safety for capital outlay.

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS - CONTINUED:

net of accumulated depreciation of \$95,864,881 for a total of \$228,097,648 in capital assets as reported in the Governmental Activities column of the Statement of Net Position. The changes in capital assets are summarized in table 6 below.

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

	September 30, 2018	September 30, 2017	Percentage Change
Land	\$ 127,828,748	117,361,482	8.9%
Construction in progress	4,404,019	14,905,877	-70.5%
Buildings	9,252,763	9,566,208	-3.3%
Improvements other than buildings	5,071,147	5,369,990	-5.6%
Infrastructure	77,697,302	76,571,489	1.5%
Vehicles	2,217,168	2,406,043	-7.9%
Furniture and equipment	1,412,723	1,292,335	9.3%
Leased property	213,778	149,924	42.6%
Total	<u>\$ 228,097,648</u>	<u>227,623,348</u>	0.2%

At September 30, 2018, the City of Ridgeland had \$25,107,453 in outstanding General Obligation Bonds, including premiums on bonds issued, \$24,979,979 in outstanding Limited Obligation Bonds, including discounts on bonds issued, and \$6,019,130 in other Long-Term Debt, including compensated absences.

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

	September 30, 2018	September 30, 2017	Percentage Change
General obligation bonds	\$ 25,107,453	27,145,929	-7.5%
Limited obligation bonds	24,979,979	26,420,838	-5.5%
Loans and leases payable	5,210,156	6,066,489	-14.1%
Compensated absences	808,974	832,625	-2.8%
Total	<u>\$ 56,106,562</u>	<u>60,465,881</u>	-7.2%

CITY OF RIDGELAND, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 938,379	379,125	1,317,504
Accrued liabilities	287,310	140,743	428,053
Claims payable	207,371	-	207,371
Accrued interest payable	951,461	66,458	1,017,919
Customer deposits	-	740,673	740,673
Cash bonds and seized cash	181,785	-	181,785
Due to other governments	709,123	-	709,123
Unearned revenue	185,698	-	185,698
Noncurrent liabilities:			
Due within one year:			
Compensated absences	40,449	4,583	45,032
Loans and leases payable	992,861	329,699	1,322,560
Bonds payable	3,595,949	772,577	4,368,526
Due in more than one year:			
Compensated absences	768,525	87,070	855,595
Loans and leases payable	4,217,295	4,052,863	8,270,158
Bonds payable	46,491,483	6,200,102	52,691,585
Net pension liability	26,834,731	2,905,021	29,739,752
Total liabilities	<u>86,402,420</u>	<u>15,678,914</u>	<u>102,081,334</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property tax revenue	8,176,965	-	8,176,965
Deferred inflows related to pension	2,315,682	250,686	2,566,368
Total deferred inflows of resources	<u>10,492,647</u>	<u>250,686</u>	<u>10,743,333</u>
<u>NET POSITION</u>			
Net investment in capital assets	172,800,060	29,508,774	202,308,834
Restricted for:			
Court services	910,920	-	910,920
Tree mitigation	66,496	-	66,496
Public safety	389,745	-	389,745
Debt service	12,835,978	-	12,835,978
Capital projects	12,061,815	-	12,061,815
Unrestricted	<u>(11,187,954)</u>	<u>8,130,942</u>	<u>(3,057,012)</u>
Total net position	\$ <u>187,877,060</u>	<u>37,639,716</u>	<u>225,516,776</u>

CITY OF RIDGELAND, MISSISSIPPI

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2018**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund	City Center Fund	Other Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 8,347,731	1,672,516	4,668,521	2,794	1,719,661	16,411,223
Investments	5,911,812	-	-	11,288,951	-	17,200,763
Receivables (net of allowance for uncollectibles, where applicable):						
Accounts	1,668,779	-	-	400	-	1,669,179
Grants	128,103	-	-	-	66,247	194,350
Taxes	6,425,299	3,313,201	610,489	-	137,394	10,486,383
Interest	14,839	-	-	45,758	-	60,597
Due from other funds	2,306,616	-	-	-	-	2,306,616
Prepays	172,739	-	-	-	-	172,739
Due from other governments	-	-	6,947,263	-	182,787	7,130,050
Total assets	\$ 24,975,918	4,985,717	12,226,273	11,337,903	2,106,089	55,631,900
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 783,985	-	898	-	153,496	938,379
Accrued liabilities	287,310	-	-	-	-	287,310
Cash bonds and seized cash	181,785	-	-	-	-	181,785
Due to other funds	-	-	670,760	448,528	910,504	2,029,792
Unearned revenue	185,698	-	-	-	-	185,698
Total liabilities	1,438,778	-	671,658	448,528	1,064,000	3,622,964
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	4,215,510	3,276,652	610,489	-	74,314	8,176,965
Unavailable revenue - court fines	1,123,012	-	-	-	-	1,123,012
Unavailable revenue - Madison county	-	-	6,947,263	-	182,787	7,130,050
Total deferred inflows of resources	5,338,522	3,276,652	7,557,752	-	257,101	16,430,027
Fund Balances:						
Nonspendable:						
Prepaid items	172,739	-	-	-	-	172,739
Restricted for:						
Court services	910,920	-	-	-	-	910,920
Tree mitigation	66,496	-	-	-	-	66,496
Public safety	31,492	-	-	-	358,253	389,745
Debt service	-	1,709,065	3,996,863	-	-	5,705,928
Capital projects	-	-	-	10,889,375	1,172,440	12,061,815
Assigned to:						
Fiscal year 2019 budget appropriations	25,973	-	-	-	-	25,973
Unassigned	16,990,998	-	-	-	(745,705)	16,245,293
Total fund balances	18,198,618	1,709,065	3,996,863	10,889,375	784,988	35,578,909
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,975,918	4,985,717	12,226,273	11,337,903	2,106,089	55,631,900

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund	City Center Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Sales taxes	\$ 11,889,358	-	1,341,254	-	366,749	13,597,361
Current year ad valorem taxes	5,689,831	3,663,435	647,367	-	72,383	10,073,016
Prior year ad valorem taxes	8,938	6,958	-	-	-	15,896
Franchise fees	1,255,603	-	-	-	-	1,255,603
Licenses and permits	550,788	-	-	-	-	550,788
Intergovernmental	1,419,335	19,196	853,269	-	2,648,546	4,940,346
Charges for services	857,395	-	-	-	-	857,395
Fines and forfeitures	1,385,783	-	-	-	208,560	1,594,343
Contributions	23,898	-	-	-	-	23,898
Interest earnings	90,621	8,056	33,945	-	1,707	134,329
Investment earnings	56,884	-	-	(8,854)	-	48,030
Miscellaneous	180,224	-	-	2,400	-	182,624
Total revenues	<u>23,408,658</u>	<u>3,697,645</u>	<u>2,875,835</u>	<u>(6,454)</u>	<u>3,297,945</u>	<u>33,273,629</u>
EXPENDITURES:						
General government	3,811,925	-	-	-	-	3,811,925
Public safety	9,970,140	-	-	-	-	9,970,140
Court services	166,514	-	-	-	-	166,514
Public service	4,694,823	-	-	-	-	4,694,823
Health and welfare	54,950	-	-	-	-	54,950
Culture and recreation	2,210,920	-	-	-	-	2,210,920
Capital outlay	1,292,064	-	-	765	3,181,618	4,474,447
Debt service:						
Principal	124,623	2,478,545	1,450,000	-	370,000	4,423,168
Interest and other fiscal charges	5,679	1,032,569	1,382,175	-	38,357	2,458,780
Total expenditures	<u>22,331,638</u>	<u>3,511,114</u>	<u>2,832,175</u>	<u>765</u>	<u>3,589,975</u>	<u>32,265,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,077,020</u>	<u>186,531</u>	<u>43,660</u>	<u>(7,219)</u>	<u>(292,030)</u>	<u>1,007,962</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from capital lease	\$ 120,936	-	-	-	-	120,936
Sale of capital assets	34,429	-	-	-	11,685	46,114
Transfers in	-	-	-	-	731,203	731,203
Transfers out	(274,841)	-	-	(456,362)	-	(731,203)
Total other financing sources (uses):	<u>(119,476)</u>	<u>-</u>	<u>-</u>	<u>(456,362)</u>	<u>742,888</u>	<u>167,050</u>
NET CHANGE IN FUND BALANCES	957,544	186,531	43,660	(463,581)	450,858	1,175,012
Fund balances at beginning of year	<u>17,241,074</u>	<u>1,522,534</u>	<u>3,953,203</u>	<u>11,352,956</u>	<u>334,130</u>	<u>34,403,897</u>
Fund balances at end of year	<u>\$ 18,198,618</u>	<u>1,709,065</u>	<u>3,996,863</u>	<u>10,889,375</u>	<u>784,988</u>	<u>35,578,909</u>

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2018**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	Internal Service Fund
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 5,902,162	776,209	227,974	6,906,345	196,948
Investments	3,056,868	-	-	3,056,868	-
Receivable (net of allowances for uncollectibles, where applicable):					
Accounts	555,282	-	125,632	680,914	144,134
Interest	9,663	-	-	9,663	-
Due from other funds	63,176	-	-	63,176	-
Inventories	171,559	-	-	171,559	-
Prepays	15,623	862,670	-	878,293	-
Total current assets	<u>9,774,333</u>	<u>1,638,879</u>	<u>353,606</u>	<u>11,766,818</u>	<u>341,082</u>
Restricted assets:					
Investments	<u>740,673</u>	<u>-</u>	<u>-</u>	<u>740,673</u>	<u>-</u>
Total restricted assets	<u>740,673</u>	<u>-</u>	<u>-</u>	<u>740,673</u>	<u>-</u>
Property, plant and equipment:					
Land	3,397,936	-	-	3,397,936	-
Buildings	782,034	-	-	782,034	-
Machinery and equipment	1,338,272	42,262	-	1,380,534	-
Vehicles	1,191,116	67,475	-	1,258,591	-
Utility systems	<u>53,195,169</u>	<u>6,573,879</u>	<u>-</u>	<u>59,769,048</u>	<u>-</u>
	59,904,527	6,683,616	-	66,588,143	-
Less: accumulated depreciation	<u>(22,768,085)</u>	<u>(2,956,043)</u>	<u>-</u>	<u>(25,724,128)</u>	<u>-</u>
Net property, plant and equipment	<u>37,136,442</u>	<u>3,727,573</u>	<u>-</u>	<u>40,864,015</u>	<u>-</u>
Total assets	<u>47,651,448</u>	<u>5,366,452</u>	<u>353,606</u>	<u>53,371,506</u>	<u>341,082</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows related to pension	<u>235,221</u>	<u>14,841</u>	<u>-</u>	<u>250,062</u>	<u>-</u>
Total deferred outflows of resources	\$ <u>235,221</u>	<u>14,841</u>	<u>-</u>	<u>250,062</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities Enterprise Funds				Internal Service Fund
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	
OPERATING REVENUES:					
Water sales	\$ 3,413,926	-	-	3,413,926	-
Sewer changes	3,314,834	326,835	-	3,641,669	-
Tap fees and connection fees	90,814	-	-	90,814	-
Late fees	163,880	-	-	163,880	-
Tamper fees	928	-	-	928	-
Convenience fees	52,418	-	-	52,418	-
Billing contracts	6,456	-	-	6,456	-
Miscellaneous income	202	-	60	262	-
Sanitation	-	-	1,555,297	1,555,297	-
Health insurance contributions	-	-	-	-	1,668,989
Total operating revenues	<u>7,043,458</u>	<u>326,835</u>	<u>1,555,357</u>	<u>8,925,650</u>	<u>1,668,989</u>
OPERATING EXPENSES:					
Personal services	1,646,683	120,209	-	1,766,892	-
Supplies	368,308	8,797	-	377,105	-
Other service charges	1,331,190	609,358	1,387,059	3,327,607	-
Depreciation	1,972,795	216,975	-	2,189,770	-
Claims expense	-	-	-	-	1,918,873
Total operating expenses	<u>5,318,976</u>	<u>955,339</u>	<u>1,387,059</u>	<u>7,661,374</u>	<u>1,918,873</u>
OPERATING INCOME (LOSS)	<u>1,724,482</u>	<u>(628,504)</u>	<u>168,298</u>	<u>1,264,276</u>	<u>(249,884)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest earnings	19,367	3,333	716	23,416	716
Investment earnings	52,743	-	-	52,743	-
Gain on sale of capital assets	23,823	-	-	23,823	-
Interest and fiscal charges	(372,100)	-	-	(372,100)	-
Total nonoperating revenues (expenses)	<u>(276,167)</u>	<u>3,333</u>	<u>716</u>	<u>(272,118)</u>	<u>716</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>1,448,315</u>	<u>(625,171)</u>	<u>169,014</u>	<u>992,158</u>	<u>(249,168)</u>
Capital contributions	<u>380,619</u>	<u>-</u>	<u>-</u>	<u>380,619</u>	<u>-</u>
CHANGE IN NET POSITION	<u>1,828,934</u>	<u>(625,171)</u>	<u>169,014</u>	<u>1,372,777</u>	<u>(249,168)</u>
NET POSITION AT BEGINNING OF YEAR	<u>30,561,969</u>	<u>5,688,645</u>	<u>68,577</u>	<u>36,319,191</u>	<u>42,879</u>
NET POSITION AT END OF YEAR	<u>\$ 32,390,903</u>	<u>5,063,474</u>	<u>237,591</u>	<u>37,691,968</u>	<u>(206,289)</u>

Change in net position - total proprietary funds \$ 1,372,777

Adjustments to reflect the consolidation of internal
service fund activities related to enterprise funds (26,358)

Change in net position for business-type activities \$ 1,346,419

The accompanying notes are an integral part of this statement.

Exhibit A-8

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Enterprise Fund	Totals	Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,724,482	(628,504)	168,298	1,264,276	(249,884)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	1,972,795	216,975	-	2,189,770	-
(Increase) decrease in:					
Accounts receivable	(13,401)	-	(1,017)	(14,418)	(144,134)
Inventories	(12,345)	-	-	(12,345)	-
Prepays	(1,874)	543,194	-	541,320	-
Deferred outflows related to pension	180,400	9,053	-	189,453	-
Increase (decrease) in:					
Accounts payable	(198,860)	(31,659)	2,499	(228,020)	112,897
Accrued compensated absences	56	317	-	373	-
Accrued liabilities	(230,434)	36	-	(230,398)	-
Unearned revenue	-	(6,537)	-	(6,537)	-
Customer deposits	36,517	-	-	36,517	-
Compensated absences - long-term	(4,531)	6,011	-	1,480	-
Net pension liability	69,986	19,336	-	89,322	-
Deferred inflows related to pension	(42,383)	(1,115)	-	(43,498)	-
Total adjustments	1,755,926	755,611	1,482	2,513,019	(31,237)
Net cash provided by (used in) operating activities	\$ 3,480,408	127,107	169,780	3,777,295	(281,121)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Contribution of capital assets	\$ 380,619	-	-	380,619	-
Amortization of bond premium included in interest expense	\$ (16,852)	-	-	(16,852)	-

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the City of Ridgeland have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Financial Reporting Entity

Component Units

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

Related Organizations

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

Related Organization

Brief Description of Activities and Relationship to the City

Ridgeland Tourism Commission	Promotes tourism for the City of Ridgeland. All members are appointed by the Board of Aldermen. The Commission reports independently.
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B. Government-Wide and Fund Financial Statements

Basic financial statements consist of the following:

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

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

they are collectible within the current period. The City, in general, considers revenues available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when payment is due.

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

E. Investments

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

F. Receivables

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

G. Inventories

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

H. Prepaid Items

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

I. Deferred Outflows/Inflows of Resources

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

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

J. Budgets and Budgetary Accounting

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

K. Capital Assets - continued:

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

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

Capital assets thresholds are as follows:

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

Estimated useful lives and salvage values for depreciable assets are as follows:

	Useful Life	Salvage Value
Computer equipment and peripherals	3 years	1%
Vehicles and equipment	5 years	10%
Heavy equipment (backhoes, dozers, front-end loaders, tractors, etc.)	10 years	10%
Furniture and fixtures	7 years	10%
Improvements other than buildings	20 years	20%
Buildings	40 years	20%
Infrastructure:		
Roads	20 years	20%
Concrete bridges	50 years	20%
Timber bridges	30 years	20%
Leased assets under capital leases	*	*

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

O. Net Position and Fund Balances - continued:

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

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

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

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

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

S. Long-Term Liabilities - continued:

of the unamortized portion of applicable premium or discount. Bond issuance costs are expensed during the current period. Amortization of bond premiums, discounts, and deferred amounts on refunding are included in interest expense.

T. Use of Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Cash and investments are comprised of the following at September 30, 2018.

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General fund	\$ 6,962,029	5,911,812	1,385,702	-	14,259,543
Debt service fund	-	-	1,672,516	-	1,672,516
Colony park TIF bond debt fund	-	-	4,668,521	-	4,668,521
City center fund	-	-	2,794	11,288,951	11,291,745
Nonmajor governmental funds	-	-	1,719,661	-	1,719,661
Internal service fund	<u>196,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,948</u>
Total governmental activities	<u>7,158,977</u>	<u>5,911,812</u>	<u>9,449,194</u>	<u>11,288,951</u>	<u>33,808,934</u>
Business-type activities:					
Public utility fund	5,902,162	3,056,868	-	740,673	9,699,703
East Madison County regional sewer fund	776,209	-	-	-	776,209
Sanitation fund	<u>227,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,974</u>
Total business-type activities	<u>6,906,345</u>	<u>3,056,868</u>	<u>-</u>	<u>740,673</u>	<u>10,703,886</u>
Government-wide total	\$ <u>14,065,322</u>	<u>8,968,680</u>	<u>9,449,194</u>	<u>12,029,624</u>	<u>44,512,820</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Investments - continued:

Concentration of Credit Risk. Disclosures of investments held by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Ratings</u>	<u>Percentage of Investments</u>	<u>Interest Rates</u>
U.S. Treasury Bills	\$ 246,083	Not Rated	1.17%	
U.S. Treasury Notes	249,453	Not Rated	1.19%	1.00%
Federal Farm Credit Bank	193,375	AA+	0.92%	2.30%
Federal Home Loan Mortgage Corporation (FHLMC)	5,354,767	AA+	25.50%	1.10-1.25%
Federal Home Loan Bank	1,843,351	AA+	8.78%	1.22%
Federal National Mortgage Association (FNMA)	2,661,375	AA+	12.67%	1.75-1.80%
Governmental National Mortgage Association (GNMA)	6,970,183	Not Rated	33.19%	1.54-4.00%
State of Mississippi Tax Notes	1,065,000	AA	5.07%	1.37-4.43%
Mississippi Development Bank Tax Notes	584,135	AA	2.78%	3.00%
Overseas Private Investment Corp	754,685	Not Rated	3.59%	2.25%
Small Business Administration	975,840	Not Rated	4.65%	2.78-2.83%
Pearl MS Urban Renewal Rev.	100,057	Not Rated	0.49%	5.60%
Total investments	\$ <u>20,998,304</u>		<u>100.00%</u>	

Investment Maturities in Years:

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. Treasury Bills	\$ 246,083	-	-	-
U.S. Treasury Notes	249,453	-	-	-
Federal Farm Credit Bank	-	193,375	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	997,430	4,357,337	-	-
Federal Home Loan Bank	997,540	845,811	-	-
Federal National Mortgage Association (FNMA)	-	2,417,625	243,750	-
Governmental National Mortgage Association (GNMA)	-	-	502,188	6,467,995
State of Mississippi Tax Notes	75,000	990,000	-	-
Mississippi Development Bank Tax Notes	-	584,135	-	-
Overseas Private Investment Corp	-	754,685	-	-
Small Business Administration	-	-	583,251	392,589
Pearl MS Urban Renewal Rev.	-	-	100,057	-
Total investments	\$ <u>2,565,506</u>	<u>10,142,968</u>	<u>1,429,246</u>	<u>6,860,584</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 3 - RECEIVABLES

Receivables at September 30, 2018, consisted of the following:

	Accounts	Grants	Taxes	Due from Other Governments	Interest	Total
Governmental activities:						
General fund	\$ 5,804,080	128,103	6,425,299	-	14,839	12,372,321
Debt service fund	-	-	3,313,201	-	-	3,313,201
Colony Park TIF bond debt fund	-	-	610,489	6,947,263	-	7,557,752
City center fund	400	-	-	-	45,758	46,158
Nonmajor governmental funds	-	66,247	137,394	182,787	-	386,428
Internal service fund	144,134	-	-	-	-	144,134
Gross receivables	5,948,614	194,350	10,486,383	7,130,050	60,597	23,819,994
Less: Allowance for uncollectible accounts	(3,426,178)	-	-	-	-	(3,426,178)
Total governmental activities	2,522,436	194,350	10,486,383	7,130,050	60,597	20,393,816
Business-type activities:						
Public utility enterprise fund	941,509	-	-	-	9,663	951,172
East Madison County regional sewer fund	-	-	-	-	-	-
Sanitation fund	208,053	-	-	-	-	208,053
Gross receivables	1,149,562	-	-	-	9,663	1,159,225
Less: Allowance for uncollectible accounts	(468,648)	-	-	-	-	(468,648)
Total business-type activities	680,914	-	-	-	9,663	690,577
Total government-wide	\$ 3,203,350	194,350	10,486,383	7,130,050	70,260	21,084,393

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2018, in the amount of \$7,130,050 represents the net present value of amounts due from Madison County, Mississippi in accordance with two interlocal pledge agreements designed to provide funds for the payment of the Colony Park tax increment financing bonds and the County Line taxable notes. The amounts to be paid are based on the added incremental increase in ad valorem taxes to be collected by the County as a result of the Colony Park and County Line Projects completed by the City in prior years. The amounts due from the County are irrevocable until all outstanding liabilities of the two projects are paid in full.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance at October 1, 2017	Increases	Decreases	Transfers	Balance at September 30, 2018
Governmental activities:					
Non-depreciable capital assets:					
Land	\$ 117,361,482	334,552	-	10,132,714	127,828,748
Construction in progress	14,905,877	2,558,906	(245,425)	(12,815,339)	4,404,019
Total non-depreciable capital assets	<u>132,267,359</u>	<u>2,893,458</u>	<u>(245,425)</u>	<u>(2,682,625)</u>	<u>132,232,767</u>
Depreciable capital assets:					
Buildings	15,687,958	-	-	-	15,687,958
Improvements other than buildings	10,352,329	81,764	-	-	10,434,093
Infrastructure	155,941,794	1,858,649	-	2,682,625	160,483,068
Vehicles	8,034,103	379,766	(252,558)	-	8,161,311
Furniture and equipment	4,798,047	518,455	(85,674)	-	5,230,828
Leased property under capital leases	247,480	120,936	-	-	368,416
Total depreciable capital assets	<u>195,061,711</u>	<u>2,959,570</u>	<u>(338,232)</u>	<u>2,682,625</u>	<u>200,365,674</u>
Less accumulated depreciation for:					
Buildings	(6,121,750)	(313,445)	-	-	(6,435,195)
Improvements other than buildings	(4,982,339)	(380,607)	-	-	(5,362,946)
Infrastructure	(79,370,305)	(3,415,461)	-	-	(82,785,766)
Vehicles	(5,628,060)	(541,463)	225,380	-	(5,944,143)
Furniture and equipment	(3,505,712)	(381,454)	69,061	-	(3,818,105)
Leased property under capital leases	(97,556)	(57,082)	-	-	(154,638)
Total accumulated depreciation	<u>(99,705,722)</u>	<u>(5,089,512)</u>	<u>294,441</u>	<u>-</u>	<u>(104,500,793)</u>
Total depreciable capital assets, net	<u>95,355,989</u>	<u>(2,129,942)</u>	<u>(43,791)</u>	<u>2,682,625</u>	<u>95,864,881</u>
Total governmental activities capital assets, net	<u>\$ 227,623,348</u>	<u>763,516</u>	<u>(289,216)</u>	<u>-</u>	<u>228,097,648</u>

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

General government	\$ 111,172
Public safety	855,308
Public services	3,698,998
Culture and recreation	<u>424,034</u>
Total depreciation expense - governmental activities	<u>\$ 5,089,512</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

	Beginning Balance October 1, 2017	Additions/ Proceeds	Reductions/ Payments	Ending Balance September 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 26,790,667	-	1,995,899	24,794,768	2,054,275
General obligation premium	355,262	-	42,577	312,685	35,815
Limited obligation bonds	26,545,000	-	1,450,000	25,095,000	1,515,000
Limited obligation discount	(124,162)	-	(9,141)	(115,021)	(9,141)
Notes	5,938,180	-	852,645	5,085,535	876,375
Capital lease obligations	128,309	120,936	124,624	124,621	116,486
Compensated absences	832,625	180,921	204,572	808,974	40,449
Government activities total	\$ 60,465,881	301,857	4,661,176	56,106,562	4,629,259
Business-type activities:					
General obligation bonds	\$ 7,574,333	-	729,101	6,845,232	755,725
General obligation premium	144,299	-	16,852	127,447	16,852
Notes	4,701,707	-	319,145	4,382,562	329,699
Compensated absences	90,094	42,765	41,206	91,653	4,583
Business-type activities total	12,510,433	42,765	1,106,304	11,446,894	1,106,859
Government-wide total	\$ 72,976,314	344,622	5,767,480	67,553,456	5,736,118

Debt service requirements at September 30, 2018 were as follows:

Fiscal Year Ending September 30,	Governmental Activities								
	General		Limited		Notes and Capital		Total		
	Obligation Bonds		Obligation Bonds		Leases Payable				
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$	2,090,090	823,917	1,505,859	1,309,925	992,861	159,167	4,588,810	2,293,009
2020		1,648,991	770,520	1,580,859	1,231,900	913,780	128,504	4,143,630	2,130,924
2021		1,697,117	725,234	1,665,859	1,151,500	525,745	99,723	3,888,721	1,976,457
2022		1,755,743	673,210	1,740,859	1,070,063	541,544	83,503	4,038,146	1,826,776
2023		1,837,244	611,871	1,830,859	979,869	558,144	66,473	4,226,247	1,658,213
2024-2028		8,460,308	1,976,823	10,684,295	3,343,931	1,678,082	88,500	20,822,685	5,409,254
2029-2033		4,948,425	832,206	5,971,389	507,103	-	-	10,919,814	1,339,309
2034-2036		2,669,535	119,834	-	-	-	-	2,669,535	119,834
	\$	25,107,453	6,533,615	24,979,979	9,594,291	5,210,156	625,870	55,297,588	16,753,776

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

General Obligation Bonds - continued:

\$11,900,000 General Obligation Bonds Series 2015 due in annual installments of \$430,000 to \$795,000, payable on 12-1 of each year through 12-1-35, net of unamortized premium of \$149,812 at September 30, 2018; and interest at 2.25% to 3.125%, payable on 6-1 and 12-1 of each year.

\$ 11,174,812

\$3,805,000 Refunding Bonds Series 2010 due in annual installments of \$255,000 to \$340,000, payable at 11-1 of each year through 11-1-23, net of unamortized premium of \$17,287 at September 30, 2018; and interest at 2.00% to 3.10%, payable on 5-1 and 11-1 of each year. This bond is to be paid by the City's Public Utility Enterprise Fund.

1,932,285

\$ 32,080,132

Limited Obligation Bonds:

\$24,625,000 Tax Increment Financing Bonds Series 2009 due in annual installments of \$845,000 to \$1,850,000, payable 10-1-10 through 10-1-29; and interest varying annually from 3.000% to 5.375%, payable on 4-1 and 10-1 of each year beginning with 4-1-10 and ending with 10-1-29. The bonds are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with an interlocal pledge agreement between the City and Madison County, Mississippi, the County has irrevocably pledged to the City for payment of a portion of the principal and interest on the Bonds and expenses of the Paying Agent on the Bonds, the added incremental increase in county ad valorem taxes levied against the property constituting the Redevelopment Project Sites and improvements. The pledge made pursuant to the agreement is irrevocable until such time as the entirety of the principal of and interest on each series of Bonds and the fees and expenses of the Paying Agent are indefeasibly paid in full, whether at maturity or otherwise.

\$ 17,200,000

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

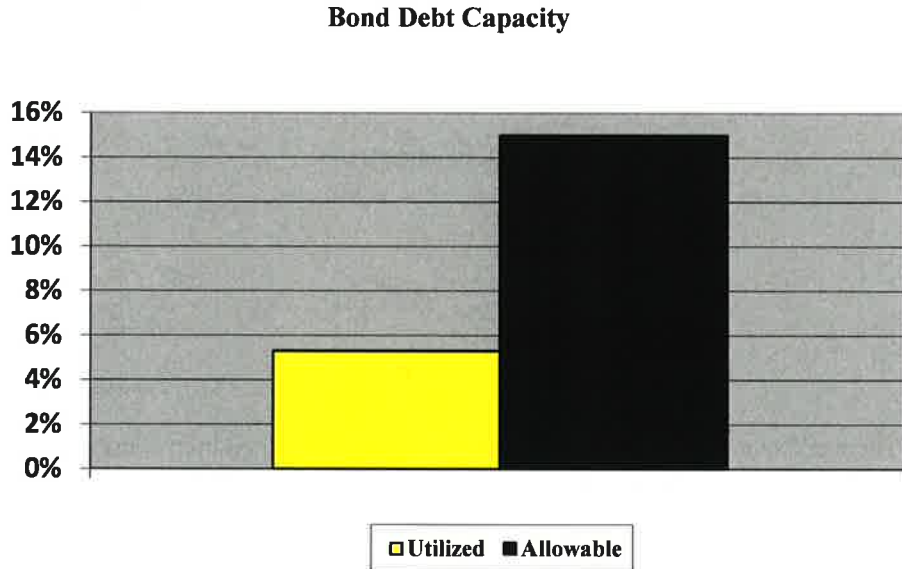
Notes - continued:

\$1,899,275 note payable to the Mississippi Department of Environmental Quality. The note is payable in monthly installments for 237 months starting on 7-1-11 and maturing 3-1-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	\$ 1,276,936
\$1,771,698 note payable to the Mississippi Department of Health for drinking water improvements. The note is payable in monthly installments for 235 months starting on 12-1-10 and maturing 6-1-30 with interest at 1.95%. This note is to be paid by the City's Public Utility Enterprise Fund.	1,142,878
\$978,640 note payable to the Mississippi Department of Health for drinking water improvements. The note is payable in monthly installments for 234 months starting on 9-12-17 and maturing 2-1-37 with interest at 1.95%. This note is to be paid by the City's Public Utility Enterprise Fund.	933,473
\$282,322 note payable to Madison County Wastewater Authority for Catlett Road improvements. The note is payable in monthly installments for 237 months starting on 10-1-03 through 6-1-23 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	77,053
\$404,830 note payable to Madison County Wastewater Authority for Parkway Forcemain improvements. The note is payable in monthly installments for 237 months starting on 10-10-10 through 6-10-30 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	257,470
\$800,000 note payable to Madison County Wastewater Authority for improvements. The note is payable in monthly installments for 180 months starting on 12-1-10 through 11-1-25 with interest at 3.73%. This note is to be paid by the City's Public Utility Enterprise Fund.	437,826
\$363,006 note payable to Madison County Wastewater Authority for Bozeman Road pump station improvements. The note is payable in monthly installments for 234 months starting on 5-5-12 through 10-5-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.	256,926

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

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



Capital Lease Obligations

The City has entered into four lease agreements for financing the acquisition of a front-end loader, nine police vehicles and a telephone system. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments as of the inception date. See Note 6 of the financial statements for capitalization and depreciation related to assets under capital lease. Obligations of the City's governmental activities under capital leases at September 30, 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2019	\$ 116,486	3,322	119,808
2020	<u>8,135</u>	<u>101</u>	<u>8,236</u>
Total lease payments	\$ <u>124,621</u>	<u>3,423</u>	<u>128,044</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8 - INTERFUND ADVANCES AND TRANSFERS - CONTINUED:

Transfers

Operating transfer in/out from other funds at September 30, 2018 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Other Nonmajor Funds	General Fund	\$ 274,841
Other Nonmajor Funds	City Center Fund	<u>456,362</u>
Total		<u>\$ 731,203</u>

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The City contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005, by calling (601) 359-3589 or 1-800-444-PERS, or by visiting online at www.pers.ms.gov.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

For the year ended September 30, 2018, the City recognized pension expense of \$3,379,989. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 169,175	142,428
Net difference between projected and actual earnings on pension plan investments	1,650,181	2,255,440
Change of assumptions	19,935	22,676
Changes in proportion and differences between City contributions and proportionate share of contributions	247,715	145,824
City contributions subsequent to the measurement date	<u>472,970</u>	<u>-</u>
Total	\$ <u>2,559,976</u>	<u>2,566,368</u>

The \$472,970 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended September 30,	
2019	\$ 371,259
2020	(26,133)
2021	(690,746)
2022	<u>(133,742)</u>
Total	\$ <u>(479,362)</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%) through June 30, 2019 and at the current contribution rate (17.40%) thereafter. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the City's proportionate share of the net pension liability of PERS based on the June 30, 2018, actuarial valuations, calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	City's Proportionate Share of Net <u>Pension Liability</u>
1.00% decrease (6.75%)	\$ 39,158,720
Current discount rate (7.75%)	29,739,752
1.00% increase (8.75%)	21,911,346

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

NOTE 10 - CONTINGENT LIABILITIES

Grant Audits

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 12 - HEALTH INSURANCE PLAN - CONTINUED:

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

The City of Ridgeland became self-insured in February 2003. Blue Cross Blue Shield of Mississippi is the third party administrator and their mailing address is P.O. Box 1043, Jackson, Mississippi 39215. Under this plan, the employee benefit plan payments to be covered are medical and prescription drug card. The aggregate percentage reimbursable (excess of aggregate deductible) is 100%. For the purpose of the aggregate excess insurance, the maximum allowable covered expense per person is \$65,000 for the contract period. No active service is required and retirees are not covered. In addition, the policy will reimburse the City if total losses for the policy year exceed \$1,151,787, the annual aggregate attachment point (AAAP). The AAAP is an amount equal to the product of an aggregate monthly factor times the number of covered individuals.

For the fiscal year ended September 30, 2018, the City was reimbursed \$144,134 for losses in excess of \$65,000 per individual. The AAAP was not exceeded for the fiscal year. The liability reported at September 30, 2018 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on numerous complex factors, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in this claims liability during fiscal years 2016 through 2018 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2015-2016	\$ 5,235	1,225,423	1,150,474	80,184
2016-2017	80,184	1,381,462	1,367,172	94,474
2017-2018	\$ 94,474	1,544,490	1,431,593	207,371

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. The City does not provide any postemployment benefits other than pensions and therefore, the implementation of this Statement in fiscal year 2018 did not impact the City's financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreement*, issued March 2016, enhances the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement also enhances the decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying the resources that are available for the government to carry out its mission. The requirements of this Statement are effective for periods beginning after December 15, 2016. The implementation of this Statement in fiscal year 2018 did not impact the City's financial statements.

GASB Statement No. 85, *Omnibus 2017*, issued March 2017, enhances consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City implemented this Statement in fiscal year 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, increases 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 the purpose of extinguishing that debt were acquired. The requirements of this Statement also enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement enhances the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The implementation of this Statement in fiscal year 2018 did not impact the City's financial statements.

Recently Issued Accounting Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Issued Accounting Pronouncements - continued:

GASB Statement No. 90 *Majority Equity Interests as an amendment of GASB Statements No. 14 and No. 61*, issued August 2018, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and also improves the relevance of the financial statement information for certain component units. The requirements of this Statement are effective for periods beginning after December 15, 2018. This accounting pronouncement is not expected to impact the City's financial statements.

NOTE 16 - SUBSEQUENT EVENTS

On March 19, 2019, the City's Board of Aldermen adopted an intent resolution to issue general obligation bonds in an amount not to exceed \$19,960,000 for the purpose of financing certain capital projects and improvements. The bonds are anticipated to be issued by September 30, 2019.

The City has evaluated subsequent events through March 22, 2019, the date the financial statements were approved by the City's management and thereby available to be issued, and except as described above has determined that there are no subsequent events of a material nature requiring adjustment to or disclosure in the accompanying financial statements.

CITY OF RIDGELAND, MISSISSIPPI

**GENERAL FUND
SEPTEMBER 30, 2018**

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

The City maintains one general fund.

CITY OF RIDGELAND, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES - CONTINUED:				
Culture and recreation:				
Personnel services	\$ 1,057,480	1,057,480	1,029,113	28,367
Supplies	189,750	189,750	162,402	27,348
Other services and charges	982,052	1,080,209	1,019,944	60,265
Capital outlay	372,000	140,660	79,443	61,217
Total culture and recreation	<u>2,601,282</u>	<u>2,468,099</u>	<u>2,290,902</u>	<u>177,197</u>
Debt service:				
Principal	42,158	124,625	124,623	2
Interest and other fiscal charges	<u>1,253</u>	<u>5,679</u>	<u>5,679</u>	<u>-</u>
Total debt service	<u>43,411</u>	<u>130,304</u>	<u>130,302</u>	<u>2</u>
Total expenditures	<u>23,625,243</u>	<u>24,551,120</u>	<u>22,360,752</u>	<u>2,190,368</u>
Excess (deficiency) of revenue over (under) expenditures	\$ <u>(900,791)</u>	<u>(1,102,548)</u>	<u>724,012</u>	<u>1,826,560</u>
Other financing sources (uses):				
Transfers in	912,899	912,899	-	(912,899)
Transfers out	(266,808)	(274,841)	(274,841)	-
Proceeds from capital lease	-	-	120,936	120,936
Sale of capital assets	<u>25,165</u>	<u>31,137</u>	<u>34,429</u>	<u>3,292</u>
Total other financing sources (uses)	<u>671,256</u>	<u>669,195</u>	<u>(119,476)</u>	<u>(788,671)</u>
Net change in fund balance	\$ <u>(229,535)</u>	<u>(433,353)</u>	<u>604,536</u>	<u>1,037,889</u>
Fund balance at beginning of year			<u>14,543,288</u>	
Fund balance at end of year			\$ <u>15,147,824</u>	

**EXPLANATION OF DIFFERENCES BETWEEN
NET CHANGE IN BUDGETARY BASIS FUND
BALANCE AND NET CHANGE IN GAAP BASIS
FUND BALANCE:**

Fund balance at end of year - budgetary basis	\$ 15,147,824
Adjustments to GAAP basis:	
Net accrued revenue and related receivables	2,898,498
Net prepaids	172,739
Net accrued expenditures and related liabilities paid after 30 days	<u>(20,443)</u>
Fund balance at end of year - GAAP basis	\$ <u>18,198,618</u>

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

CITY OF RIDGELAND, MISSISSIPPI

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,788,276	1,816,285	1,828,010	1,793,444	1,747,698
Contributions in relation to the contractually required contribution	<u>1,788,276</u>	<u>1,816,285</u>	<u>1,828,010</u>	<u>1,793,444</u>	<u>1,747,698</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 11,354,133	11,531,968	11,606,413	11,386,946	11,096,495
Contributions as a percentage of a covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF RIDGELAND, MISSISSIPPI

DEBT SERVICE FUND - MAJOR FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property taxes	\$ 3,813,984	3,813,984	3,740,561	(73,423)
Intergovernmental	17,500	17,500	19,196	1,696
Interest earnings	6,000	6,000	8,056	2,056
Total revenues	<u>3,837,484</u>	<u>3,837,484</u>	<u>3,767,813</u>	<u>(69,671)</u>
EXPENDITURES:				
Debt Service:				
Principal	2,417,262	2,417,262	2,478,545	(61,283)
Interest and other fiscal charges	<u>1,107,621</u>	<u>1,107,621</u>	<u>1,032,569</u>	<u>75,052</u>
Total expenditures	<u>3,524,883</u>	<u>3,524,883</u>	<u>3,511,114</u>	<u>13,769</u>
NET CHANGE IN FUND BALANCE	\$ <u>312,601</u>	<u>312,601</u>	256,699	<u>(55,902)</u>
Fund balance at beginning of year			<u>1,415,817</u>	
Fund balance at end of year			\$ <u>1,672,516</u>	
EXPLANATION OF DIFFERENCES BETWEEN				
NET CHANGE IN BUDGETARY BASIS FUND				
BALANCE AND NET CHANGE IN GAAP BASIS				
FUND BALANCE:				
Fund balance at end of year - budgetary basis			1,672,516	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			<u>36,549</u>	
Fund balance at end of year - GAAP basis			\$ <u>1,709,065</u>	

CITY OF RIDGELAND, MISSISSIPPI

CITY CENTER FUND - MAJOR FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	-	(6,928)	(6,928)
Miscellaneous	-	2,400	2,600	200
Total revenues	-	2,400	(4,328)	(6,728)
EXPENDITURES:				
Capital outlay	-	765	765	-
Total expenditures	-	765	765	-
Other financing sources (uses):				
Transfers out	-	(578,000)	(456,362)	121,638
Total other financing sources (uses)	-	(578,000)	(456,362)	121,638
NET CHANGE IN FUND BALANCE	\$ -	(576,365)	(461,455)	114,910
Fund balance at beginning of year			11,304,672	
Fund balance at end of year			\$ 10,843,217	
EXPLANATION OF DIFFERENCES BETWEEN				
NET CHANGE IN BUDGETARY BASIS FUND				
BALANCE AND NET CHANGE IN GAAP BASIS				
FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 10,843,217	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			46,158	
Fund balance at end of year - GAAP basis			\$ 10,889,375	

CITY OF RIDGELAND, MISSISSIPPI

**NONMAJOR GOVERNMENTAL FUNDS - CONTINUED:
SEPTEMBER 30, 2018**

13. Harbor Crossing TIF Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the Harbor Crossing development on Harbor Drive.
14. Highland Colony Rehab Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the rehabilitation of Highland Colony Boulevard.
15. 2011 \$5.825M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by a public improvement bond issued May 31, 2011.
16. 2015 \$11.9M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by general obligation bonds issued December 22, 2015.

CITY OF RIDGELAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Interfund Eliminations	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES:					
Taxes:					
Sales taxes	\$ -	366,749	-	-	366,749
Property taxes	-	72,383	-	-	72,383
Intergovernmental	-	96,011	2,552,535	-	2,648,546
Fines and forfeitures	208,560	-	-	-	208,560
Interest earnings	951	756	-	-	1,707
Total revenues	<u>209,511</u>	<u>535,899</u>	<u>2,552,535</u>	<u>-</u>	<u>3,297,945</u>
EXPENDITURES:					
Capital outlay	-	-	3,181,618	-	3,181,618
Debt Service:					
Principal	-	370,000	-	-	370,000
Interest and other fiscal charges	-	38,357	-	-	38,357
Total expenditures	<u>-</u>	<u>408,357</u>	<u>3,181,618</u>	<u>-</u>	<u>3,589,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>209,511</u>	<u>127,542</u>	<u>(629,083)</u>	<u>-</u>	<u>(292,030)</u>
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	11,685	-	11,685
Transfers in	-	-	1,118,573	(387,370)	731,203
Transfers out	<u>-</u>	<u>(387,370)</u>	<u>-</u>	<u>387,370</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(387,370)</u>	<u>1,130,258</u>	<u>-</u>	<u>742,888</u>
NET CHANGE IN FUND BALANCES	<u>209,511</u>	<u>(259,828)</u>	<u>501,175</u>	<u>-</u>	<u>450,858</u>
Fund balances at beginning of year	<u>148,742</u>	<u>(215,707)</u>	<u>401,095</u>	<u>-</u>	<u>334,130</u>
Fund balances at end of year	<u>\$ 358,253</u>	<u>(475,535)</u>	<u>902,270</u>	<u>-</u>	<u>784,988</u>

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AS OF SEPTEMBER 30, 2018**

	School Creek Intercept S.A. Fund	Avery Blvd S.A. Bond Fund	Lowes TIF Note Debt Fund	Total Nonmajor Debt Service Funds (See Exhibit C-4)
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2	50,853	-	50,855
Receivables (net of allowance for uncollectibles, where applicable):				
Taxes	-	-	137,394	137,394
Due from other governments	<u>-</u>	<u>-</u>	<u>182,787</u>	<u>182,787</u>
Total assets	\$ <u>2</u>	<u>50,853</u>	<u>320,181</u>	<u>371,036</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ <u>63,176</u>	<u>-</u>	<u>526,294</u>	<u>589,470</u>
Total liabilities	<u>63,176</u>	<u>-</u>	<u>526,294</u>	<u>589,470</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	74,314	74,314
Unavailable revenue - Madison county	<u>-</u>	<u>-</u>	<u>182,787</u>	<u>182,787</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>257,101</u>	<u>257,101</u>
Fund balances:				
Unassigned	<u>(63,174)</u>	<u>50,853</u>	<u>(463,214)</u>	<u>(475,535)</u>
Total fund balances	<u>(63,174)</u>	<u>50,853</u>	<u>(463,214)</u>	<u>(475,535)</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>2</u>	<u>50,853</u>	<u>320,181</u>	<u>371,036</u>

CITY OF RIDGELAND, MISSISSIPPI

**SCHOOL CREEK INTERCEPT SPECIAL ASSESSMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Total revenues	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year			<u>(63,174)</u>	
Fund balance at end of year (same as GAAP)			\$ <u>(63,174)</u>	

CITY OF RIDGELAND, MISSISSIPPI

**LOWES TIF NOTE DEBT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Sales taxes	\$ 404,115	404,115	371,441	(32,674)
Property taxes	66,095	66,095	72,383	6,288
Intergovernmental	96,717	96,717	96,011	(706)
Total revenues	<u>566,927</u>	<u>566,927</u>	<u>539,835</u>	<u>(27,092)</u>
EXPENDITURES:				
Debt service:				
Principal	370,000	370,000	370,000	-
Interest and other fiscal charges	<u>40,358</u>	<u>40,358</u>	<u>38,357</u>	<u>2,001</u>
Total expenditures	<u>410,358</u>	<u>410,358</u>	<u>408,357</u>	<u>2,001</u>
Excess (deficiency) of revenues over (under) expenditures	156,569	156,569	131,478	(25,091)
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(912,899)</u>	<u>(912,899)</u>	-	912,899
Total other financing sources (uses)	<u>(912,899)</u>	<u>(912,899)</u>	-	912,899
NET CHANGE IN FUND BALANCE	\$ <u>(756,330)</u>	<u>(756,330)</u>	131,478	<u>887,808</u>
Fund balance at beginning of year			(657,772)	
Fund balance at end of year			\$ <u>(526,294)</u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ (526,294)	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			63,080	
Net change in fund balance - GAAP basis			\$ <u>(463,214)</u>	

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Jackson Street Multi-Use Fund	City Entrance Sign Hwy 51 Fund	East Lake Harbour Overlay Fund	Avery Blvd Special Assessment Fund	Colony Park Boulevard Fund	County Line Milling / Overlay Fund	Lake Harbour Recon 51 to NP Fund	Lake Harbour Drive Extension Fund	Harbour Crossing TIF Fund	Highland Colony Rehab Fund	2011 \$5,825M Bond Issue Fund	2015 \$11.9M Bond Issue Fund	Interfund Elimin- ations	Total Nonmajor Capital Projects Funds (See Exhibit C-5)
REVENUES:														
Intergovernmental	-	-	1,367,424	-	-	1,103,317	-	81,794	-	-	-	-	-	2,552,535
Total revenues	-	-	1,367,424	-	-	1,103,317	-	81,794	-	-	-	-	-	2,552,535
EXPENDITURES:														
Capital outlay	337	-	1,719,851	-	14,202	1,101,787	-	263,574	-	103	81,764	-	-	3,181,618
Total expenditures	337	-	1,719,851	-	14,202	1,101,787	-	263,574	-	103	81,764	-	-	3,181,618
Excess (deficiency) of revenues over (under) expenditures	(337)	-	(352,427)	-	(14,202)	1,530	-	(181,780)	-	(103)	(81,764)	-	-	(629,083)
OTHER FINANCING SOURCES (USES):														
Sale of capital assets	-	-	-	-	11,685	-	-	-	-	-	-	-	-	11,685
Transfers in	18,120	-	456,363	387,369	(168,951)	-	266,808	106,190	-	52,674	81,764	456,362	(707,077)	1,118,573
Transfers out	-	-	-	-	(157,266)	-	-	-	-	(81,764)	-	(456,362)	707,077	-
Total other financing sources (uses)	18,120	-	456,363	387,369	(157,266)	-	266,808	106,190	-	(29,090)	81,764	-	-	1,130,258
NET CHANGE IN FUND BALANCES	17,783	-	103,936	387,369	(171,468)	1,530	266,808	(75,590)	-	(29,193)	-	-	-	501,175
Fund balances at beginning of year	97,361	15,000	(104,517)	(387,369)	280,266	(3,281)	(533,616)	766,741	(1,030)	271,540	-	-	-	401,095
Fund balances at end of year	\$ 115,144	\$ 15,000	\$ (581)	\$ -	\$ 108,798	\$ (1,751)	\$ (266,808)	\$ 691,151	\$ (1,030)	\$ 242,347	\$ -	\$ -	\$ -	\$ 902,270

CITY OF RIDGELAND, MISSISSIPPI

CITY ENTRANCE SIGN HWY 51 FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

CITY OF RIDGELAND, MISSISSIPPI

AVERY BLVD SPECIAL ASSESSMENT FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenues	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>387,369</u>	<u>387,369</u>	<u>387,369</u>	<u>-</u>
Total other financing sources	<u>387,369</u>	<u>387,369</u>	<u>387,369</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>387,369</u>	<u>387,369</u>	<u>387,369</u>	<u>-</u>
Fund balance at beginning of year			<u>(387,369)</u>	
Fund balance at end of year (same as GAAP)			\$ <u>-</u>	

CITY OF RIDGELAND, MISSISSIPPI

COUNTY LINE MILLING/OVERLAY FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	1,350,000	1,103,317	(246,683)
Total revenues	-	1,350,000	1,103,317	(246,683)
EXPENDITURES:				
Capital outlay	-	1,350,000	1,101,787	248,213
Total expenditures	-	1,350,000	1,101,787	248,213
NET CHANGE IN FUND BALANCE	\$ -	-	1,530	1,530
Fund balance at beginning of year			(3,281)	
Fund balance at end of year (same as GAAP)			\$ (1,751)	

CITY OF RIDGELAND, MISSISSIPPI
LAKE HARBOUR DRIVE EXTENSION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 8,447,527	8,447,527	104,755	(8,342,772)
Total revenues	<u>8,447,527</u>	<u>8,447,527</u>	<u>104,755</u>	<u>(8,342,772)</u>
EXPENDITURES:				
Capital outlay	<u>19,673,349</u>	<u>19,673,349</u>	<u>258,780</u>	<u>19,414,569</u>
Total expenditures	<u>19,673,349</u>	<u>19,673,349</u>	<u>258,780</u>	<u>19,414,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,225,822)</u>	<u>(11,225,822)</u>	<u>(154,025)</u>	<u>11,071,797</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>203,919</u>	<u>203,919</u>	<u>106,190</u>	<u>(97,729)</u>
Total other financing sources	<u>203,919</u>	<u>203,919</u>	<u>106,190</u>	<u>(97,729)</u>
NET CHANGE IN FUND BALANCE	\$ <u>(11,021,903)</u>	<u>(11,021,903)</u>	<u>(47,835)</u>	<u>10,974,068</u>
Fund balance at beginning of year			<u>728,978</u>	
Fund balance at end of year			<u><u>681,143</u></u>	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			681,143	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			14,802	
Net accrued expenditures and related liabilities paid after 30 days			<u>(4,794)</u>	
Fund balance at end of year - GAAP basis			\$ <u><u>691,151</u></u>	

CITY OF RIDGELAND, MISSISSIPPI

HIGHLAND COLONY REHAB FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ <u>215,000</u>	<u>215,000</u>	<u>-</u>	<u>(215,000)</u>
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>-</u>	<u>(215,000)</u>
EXPENDITURES:				
Capital outlay	<u>531,915</u>	<u>531,915</u>	<u>103</u>	<u>531,812</u>
Total expenditures	<u>531,915</u>	<u>531,915</u>	<u>103</u>	<u>531,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(316,915)</u>	<u>(316,915)</u>	<u>(103)</u>	<u>316,812</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	44,641	52,674	52,674	-
Transfer out	<u>-</u>	<u>(81,764)</u>	<u>(81,764)</u>	<u>-</u>
Total other financing sources (uses)	<u>44,641</u>	<u>(29,090)</u>	<u>(29,090)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>(272,274)</u>	<u>(346,005)</u>	<u>(29,193)</u>	<u>316,812</u>
Fund balance at beginning of year			<u>271,540</u>	
Fund balance at end of year (same as GAAP)			\$ <u>242,347</u>	

CITY OF RIDGELAND, MISSISSIPPI

**2015 \$11.9M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	578,000	456,362	(121,638)
Transfers out	-	(578,000)	(456,362)	121,638
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	-	-
Fund balance at beginning of year			-	
Fund balance at end of year (same as GAAP)			\$ -	

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 2018**

GENERAL FUND:

Governmental National Mortgage Association (GNMA)	\$ 3,942,369
Overseas Private Investment Corp	754,685
State of Mississippi Tax Notes	75,000
Mississippi Development Bank Tax Notes	358,335
Small Business Administration	<u>781,423</u>
	<u>5,911,812</u>

CITY CENTER FUND:

U.S. Treasury Bills	246,083
Federal Home Loan Mortgage Corporation (FHLMC)	5,354,767
Federal Home Loan Bank	1,843,351
Federal National Mortgage Association (FNMA)	2,661,375
Federal Farm Credit Bank	193,375
State of Mississippi Tax Notes	<u>990,000</u>
	<u>11,288,951</u>

PUBLIC UTILITY FUND:

U.S. Treasury Notes	249,453
Governmental National Mortgage Association (GNMA)	3,027,814
Mississippi Development Bank Tax Notes	225,800
Small Business Administration	194,417
Pearl MS Urban Renewal Rev.	<u>100,057</u>
	<u>3,797,541</u>

Total of all investments	\$ <u>20,998,304</u>
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CITY OF RIDGELAND, MISSISSIPPI

SCHEDULE OF CHANGES IN LONG-TERM DEBT FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance October 1, 2017	Current Year Transactions			Balance September 30, 2018
						Additions	Retirements	Refunding	
<u>Governmental Activities Long-Term Debt</u>									
General obligation bonds:									
Refunding bonds	05-01-12	05-01-19	2.000%	3,230,000	\$ 980,000	-	(485,000)	-	495,000
Bond premium				113,662	25,712	-	(16,237)	-	9,475
Public improvement	05-31-11	05-01-26	3-4%	5,825,000	3,900,000	-	(370,000)	-	3,530,000
Bond premium				61,897	35,764	-	(4,126)	-	31,638
General obligation bonds	07-15-14	06-01-34	3-4%	5,100,000	4,500,000	-	(205,000)	-	4,295,000
Refunding bonds	12-18-14	08-01-27	2-5%	6,053,549	5,940,667	-	(490,899)	-	5,449,768
Bond premium				175,874	135,290	-	(13,530)	-	121,760
General obligation bonds	12-22-15	12-01-35	2.25-3.125%	11,900,000	11,470,000	-	(445,000)	-	11,025,000
Bond premium				173,695	158,496	-	(8,684)	-	149,812
Total general obligation bonds					27,145,929	-	(2,038,476)	-	25,107,453
Limited obligation bonds:									
Colony Park phase I	10-15-09	11-30-29	3-5.375%	24,625,000	18,245,000	-	(1,045,000)	-	17,200,000
Colony Park phase II	04-21-11	04-01-31	5.2-6.375%	10,375,000	8,300,000	-	(405,000)	-	7,895,000
Bond discount				(173,695)	(124,162)	-	9,141	-	(115,021)
Total limited obligation bonds					26,420,838	-	(1,440,859)	-	24,979,979
Other long-term debt:									
County Line refunding taxable note	09-01-15	09-01-20	3.350%	1,845,000	1,145,000	-	(370,000)	-	775,000
Mississippi Department of Transportation	10-11-06	01-01-26	5.0%	5,072,000	4,793,180	-	(482,645)	-	4,310,535
Capital lease	03-10-15	03-10-19	2.24%	80,000	30,842	-	(20,446)	-	10,396
Capital lease	10-20-15	12-02-18	1.76%	65,139	43,774	-	(21,711)	-	22,063
Capital lease	02-10-17	02-13-20	5.97%	67,712	53,693	-	(22,101)	-	31,592
Capital lease	03-08-18	09-30-19	2.665%	120,936	-	120,936	(60,366)	-	60,570
Total other long-term debt					6,066,489	120,936	(977,269)	-	5,210,156
Total governmental activities long-term debt					59,633,256	120,936	(4,456,604)	-	55,297,588
<u>Business-Type Activities Long-Term Debt</u>									
General obligation bonds:									
Refunding bonds	11-04-10	11-01-23	2.0-3.1%	2,129,367	1,613,242	-	(138,312)	-	1,474,930
Bond premium				31,625	15,001	-	(2,433)	-	12,568
Refunding bonds	11-04-10	11-01-23	2.01-3.1	1,466,894	586,757	-	(146,689)	-	440,068
Bond premium				21,786	6,898	-	(2,179)	-	4,719
Refunding bonds	12-18-14	08-01-27	2-5%	5,476,452	5,374,334	-	(444,100)	-	4,930,234
Bond premium				159,125	122,400	-	(12,240)	-	110,160
Total general obligation bonds					7,718,632	-	(745,953)	-	6,972,679
Other long-term debt:									
State Revolving Fund Loan	05-06-11	03-01-31	1.75%	1,889,275	1,367,539	-	(90,603)	-	1,276,936
State Revolving Fund Loan	10-18-10	06-01-30	1.95%	1,771,698	1,228,597	-	(85,719)	-	1,142,878
State Revolving Fund Loan	09-12-17	02-01-37	1.95%	978,640	975,199	-	(41,726)	-	933,473
Madison County Wastewater Authority	04-20-04	06-01-23	1.75%	282,322	92,475	-	(15,422)	-	77,053
Madison County Wastewater Authority	03-31-07	06-10-30	1.75%	404,830	277,037	-	(19,567)	-	257,470
Madison County Wastewater Authority	11-01-10	11-01-25	3.73%	800,000	486,609	-	(48,783)	-	437,826
Madison County Wastewater Authority	02-15-12	10-05-31	1.75%	363,006	274,251	-	(17,325)	-	256,926
Total other long-term debt					4,701,707	-	(319,145)	-	4,382,562
Total business-type activities long-term debt					\$ 12,420,339	-	(1,065,098)	-	11,355,241

CITY OF RIDGELAND, MISSISSIPPI

TABLE 1

FUND BALANCE AND NET POSITION BY COMPONENTS

LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS)

	<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>	<u>2018</u>
<u>Governmental Funds Fund Balances</u>										
General Fund:										
Reserved	\$ 1,397	514	-	-	-	-	-	-	-	-
Unreserved	11,319	12,448	-	-	-	-	-	-	-	-
Nonspendable**	-	-	57	56	79	65	75	111	148	173
Restricted**	-	-	455	330	263	248	301	589	751	1,009
Assigned**	-	-	46	46	45	46	282	2,377	1,178	26
Unassigned**	-	-	12,749	12,937	14,805	14,298	16,376	13,517	15,164	16,991
Total General Fund Fund Balance	\$ 12,716	12,962	13,307	13,369	15,192	14,657	17,034	16,594	17,241	18,199
<u>All Other Governmental Funds:</u>										
Reserved	\$ -	525	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	449	-	-	-	-	-	-	-	-
Capital Projects Funds	3,025	291	-	-	-	-	-	-	-	-
Debt Service Funds	2,343	1,634	-	-	-	-	-	-	-	-
Nonspendable**	-	-	529	1,351	900	-	-	-	-	-
Restricted**	-	-	1,397	11,945	5,638	5,786	1,788	18,737	18,408	18,126
Assigned**	-	-	96	92	78	69	94	-	-	-
Unassigned**	-	-	-	-	-	-	-	(32)	(1,245)	(746)
Total All Other Governmental Funds	\$ 5,368	2,899	2,022	13,388	6,616	5,855	1,882	18,705	17,163	17,380
<u>Government-Wide Funds Position</u>										
Governmental Activities:										
Net Investment in Capital Assets	\$ 174,407	180,216	176,163	177,810	185,396	183,960	191,730	162,630	167,990	172,800
Restricted	16,628	1,801	923	1,068	498	4,581	395	28,229	27,218	26,265
Unrestricted	2,266	4,729	8,097	7,283	9,088	13,993	(4,682)	(8,055)	(10,843)	(11,188)
Total Governmental Activities Net Position	\$ 193,301	186,746	185,183	186,161	194,982	202,534	187,443	182,804	184,365	187,877

CITY OF RIDGELAND, MISSISSIPPI

TABLE 2

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<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>	<u>2018</u>
<u>EXPENSES</u>										
Governmental activities:										
General government	\$ 3,841	4,039	5,376	4,066	3,444	4,954	5,504	5,666	4,749	4,214
Public safety	10,846	10,502	10,909	11,827	10,662	11,343	12,795	11,786	12,314	11,793
Court services	239	318	323	150	314	390	454	324	216	166
Public services	6,615	6,615	6,243	6,323	5,982	7,041	7,826	7,319	7,581	8,453
Health and welfare	54	29	45	39	31	50	55	54	86	55
Sanitation	1,168	1,197	1,068	1,190	1,195	1,197	-	-	-	-
Culture and recreation	2,319	2,393	2,586	2,651	2,745	2,840	2,988	2,697	2,738	2,741
Interest on long-term debt	1,380	1,166	3,634	4,528	4,835	2,121	2,170	2,570	2,495	2,391
Bond issuance expense	-	-	-	-	-	-	-	365	-	-
Pension expense	-	-	-	-	-	-	2,726	-	-	-
Total governmental activities expense	26,462	26,259	30,184	30,774	29,208	29,936	34,518	30,781	30,179	29,813
Business-type activities:										
Sanitation	-	-	-	-	-	-	1,278	1,314	1,355	1,387
Public utility	6,098	5,231	5,317	6,169	5,523	7,574	7,494	10,781	9,031	6,673
Total business-type activities expense	6,098	5,231	5,317	6,169	5,523	7,574	8,772	12,095	10,386	8,060
Total primary government expenses	\$ 32,560	31,490	35,501	36,943	34,731	37,510	43,290	42,876	40,565	37,873

PROGRAM REVENUES

Governmental activities:										
Charges for services:										
General government	\$ 4,864	4,153	3,671	3,529	5,418	7,173	9,405	914	976	1,153
Public safety	-	426	65	7	25	9	1	2,007	1,650	1,568
Public services	137	242	222	235	357	304	308	100	23	13
Sanitation	951	989	1,024	1,047	1,071	1,286	-	-	-	-
Culture and recreation	322	305	339	337	310	311	281	261	224	242

CITY OF RIDGELAND, MISSISSIPPI
TABLE 2

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<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>	<u>2018</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Intergovernmental/unrestricted	\$ 11,076	11,281	10,194	10,361	11,424	11,288	13,788	15,286	13,611	15,475
Taxes:										
Property taxes	7,474	6,745	10,089	10,254	9,176	8,695	9,362	9,662	9,881	10,089
Other taxes	1,222	554	586	613	607	615	632	1,600	1,527	1,598
Investment and interest earnings	632	1,001	287	363	8	306	197	180	225	183
Other	2,027	2,000	1,605	4,282	2,144	2,486	615	153	173	161
Transfers	-	(30)	-	189	133	-	236	-	400	-
Total governmental activities	<u>22,431</u>	<u>21,551</u>	<u>22,761</u>	<u>26,062</u>	<u>23,492</u>	<u>23,390</u>	<u>24,830</u>	<u>26,881</u>	<u>25,817</u>	<u>27,506</u>
Business-type activities:										
Investment and interest earnings	570	243	168	77	(143)	39	56	61	49	76
Other	348	6	235	365	169	127	85	100	-	24
Transfers	-	30	-	(189)	(133)	-	(236)	-	(400)	-
Total business-type activities	<u>918</u>	<u>279</u>	<u>403</u>	<u>253</u>	<u>(107)</u>	<u>166</u>	<u>(95)</u>	<u>161</u>	<u>(351)</u>	<u>100</u>
Total primary government	<u>\$ 23,349</u>	<u>21,830</u>	<u>23,164</u>	<u>26,315</u>	<u>23,385</u>	<u>23,556</u>	<u>24,735</u>	<u>27,042</u>	<u>25,466</u>	<u>27,606</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 2,730	1,946	(1,548)	1,050	8,820	7,553	5,018	3,405	(807)	3,512
Business-type activities	1,057	2,450	1,370	404	495	(995)	(461)	(377)	442	1,346
Total primary government	<u>\$ 3,787</u>	<u>4,396</u>	<u>(178)</u>	<u>1,454</u>	<u>9,315</u>	<u>6,558</u>	<u>4,557</u>	<u>3,028</u>	<u>(365)</u>	<u>4,858</u>

Source: Audited Financial Statements

CITY OF RIDGELAND, MISSISSIPPI

TABLE 3

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS)

	<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>	<u>2018</u>
OTHER FINANCING SOURCES										
(USES):										
Issuance of bonds/loan proceeds	\$ -	4,160	5,887	3,159	-	5,100	6,053	13,745	-	-
Payment to refunded debt escrow agent	-	(4,350)	-	114	-	-	(6,230)	-	-	-
Premium on bonds	-	273	-	(3,240)	-	-	176	174	-	-
Debt service principal	-	-	-	-	-	-	-	(1,814)	-	-
Sale of assets	36	212	38	45	33	24	88	40	27	46
Inception of capital leases	-	-	-	-	-	-	80	65	68	121
Transfers from other funds	1,173	10,984	1,119	1,397	410	11,550	4,856	11,137	929	731
Transfers to other funds	(1,173)	(11,014)	(1,119)	(1,209)	(427)	(11,550)	(4,856)	(11,137)	(529)	(731)
Total other financing sources (uses)	36	265	5,925	266	16	5,124	167	12,210	495	167
Net change in fund balances	\$ (2,454)	(2,130)	(534)	(916)	462	3,772	(622)	13,823	(896)	1,175
Debt service as a percentage of noncapital expenditures	20.14%	17.72%	24.34%	29.52%	22.68%	18.24%	17.23%	21.82%	24.81%	26.06%

Source: Audited Financial Statements

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

Fiscal Year	Property Taxes		Sales Taxes (1)	
2009	\$	7,446	\$	11,076
2010		7,139		11,281
2011		10,061		10,194
2012		10,223		10,361
2013		9,088		11,424
2014		8,659		11,493
2015		9,323		13,787
2016		9,662		13,598
2017		9,881		13,221
2018		10,089		13,597

Source: Audited Financial Statements

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

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

Fiscal Year	Real Property			Personal Property			Utilities			Vehicles			Totals	
	Assessed Value	Actual Value		Assessed Value	Actual Value		Assessed Value	Actual Value		Assessed Value	Actual Value		Assessed Value	% Assessed Increase (Decrease)
2009	\$ 270,611	\$ 1,978,151		\$ 53,656	\$ 357,707	\$	6,490	\$ 43,267	\$	56,210	\$ 187,367	\$	386,967	\$ 2,566,492 1.0%
2010	294,179	2,150,431		60,092	400,613		6,645	44,300		51,891	172,970		412,807	2,768,314 6.7%
2011	311,607	2,277,829		65,939	439,593		5,218	34,787		49,283	164,277		432,047	2,916,486 4.7%
2012	315,729	2,307,961		51,047	340,313		5,613	37,420		48,298	160,993		420,687	2,846,687 -2.6%
2013	318,905	2,331,177		54,693	364,620		7,063	47,087		48,691	162,303		429,352	2,905,187 2.1%
2014	322,443	2,357,039		52,537	350,247		9,497	63,313		50,386	167,953		434,863	2,938,552 1.3%
2015	336,960	2,463,158		49,511	330,073		10,296	68,640		52,299	174,330		449,066	3,036,201 3.3%
2016	334,520	2,445,322		49,856	332,373		10,130	67,533		58,088	193,627		452,594	3,038,855 0.8%
2017	336,716	2,461,374		49,401	329,340		10,526	70,173		61,893	206,310		458,536	3,067,197 1.3%
2018	342,527	2,503,852		48,525	323,500		11,110	74,067		59,842	199,473		462,004	3,100,892 0.8%

(1) Assessment rates are as follows:

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

Personal Property - Assessed at 15% of actual value.

Utilities - Assessed at 15% of actual value.

Vehicles - Assessed at 30% of actual value.

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

(2) Assessed values for 2016-2018 real property are presented net of homestead exemption. Amounts for 2009-2015 are presented gross of homestead exemption.

Source: Madison County Tax Assessor

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

Taxpayer	Type of Business	2018			% of Total Assessed Valuation	Type of Business	2009			% of Total Assessed Valuation
		Assessed Valuation	Rank				Assessed Valuation	Rank		
Renaissance at Colony Park, LLC	Lifestyle Center	\$ 13,458	1	3.35%			\$ 7,432	2	2.25%	
Entergy Mississippi Inc.	Energy	10,002	2	2.49%						
Northpark Mall LP	Shopping Mall	7,803	3	1.94%			7,571	1	2.29%	
200 Renaissance, LLC	Office Building	7,522	4	1.87%						
Cellular South (S3)	Phone	4,764	5	1.18%						
Trace Apartment, LP	Apartments	5,387	6	1.34%			2,976	4	0.90%	
300 Renaissance, LLC	Office Building	4,780	7	1.19%			3,983	3	1.20%	
Southern Farm Bureau Casualty Insurance	Insurance	3,107	8	0.77%			2,570	8	0.78%	
Legacy Park Apartments, LLC	Apartments	3,106	9	0.77%			2,790	5	0.84%	
Arbors Acquisition	Apartments	2,984	10	0.74%			2,657	6	0.80%	
Sunchase of Ridgeland, Ltd.						Apartments	2,587	7	0.78%	
Mid-America Capital Partners, LP						Apartments	2,567	9	0.78%	
Jackson Residential Associates						Real Estate	2,496	10	0.75%	
Total taxable assessed value of 10 largest taxpayers		62,913		15.64%			37,629		9.12%	
Total taxable assessed value of other taxpayers		339,249		84.36%			293,128		90.88%	
Total taxable assessed value of all taxpayers		\$ 402,162		100.00%			\$ 330,757		100.00%	

Source: Madison County Tax Assessor's Office

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

<u>Fiscal Year</u>	<u>Jurisdiction</u>	<u>Debt Outstanding</u>	(2) <u>Percentage Applicable to Ridgeland</u>	<u>Amount Applicable to Ridgeland</u>
Direct:				
2018	City of Ridgeland	\$ <u>55,297</u>	100.00%	\$ <u>55,297</u>
Total Direct		<u>55,297</u>		<u>55,297</u>
Overlapping:				
2018	Madison County	85,568	37.40%	32,002
2018	Madison County Schools	<u>58,400</u>	37.40%	<u>21,842</u>
Total Overlapping		<u>143,968</u>		<u>53,844</u>
Total Direct and Overlapping		\$ <u>199,265</u>		\$ <u>109,141</u>
Direct:				
2009	City of Ridgeland	\$ <u>27,668</u>	100.00%	\$ <u>27,668</u>
Total Direct		<u>27,668</u>		<u>27,668</u>
Overlapping:				
2009	Madison County	94,120	37.40%	35,201
2009	Madison County Schools	<u>69,625</u>	37.40%	<u>26,040</u>
Total Overlapping		<u>163,745</u>		<u>61,241</u>
Total Direct and Overlapping		\$ <u>191,413</u>		\$ <u>88,909</u>

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

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

Source: Madison County School District, Madison County

CITY OF RIDGELAND, MISSISSIPPI

TABLE 13

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<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>	<u>2018</u>
Assessed value of property	\$ 386,967	\$ 412,807	\$ 432,047	\$ 420,687	\$ 429,352	\$ 434,863	\$ 449,066	\$ 452,594	\$ 458,536	\$ 462,004
Debt limit, 15% of assessed valuation	58,045	61,921	64,807	63,103	64,403	65,229	67,360	67,889	68,780	69,301
Amount of debt applicable to limit:										
General obligation bonds	22,368	20,233	24,014	21,349	18,416	20,979	18,995	29,174	27,146	25,107
Less:										
Special assessment bonds	295	265	230	195	160	120	80	40	-	-
Total net debt applicable to limit (a)-(b)	22,073	19,968	23,784	21,154	18,256	20,859	18,915	29,134	27,146	25,107
Legal debt margin	<u>35,972</u>	<u>41,953</u>	<u>41,023</u>	<u>41,949</u>	<u>46,147</u>	<u>44,370</u>	<u>48,445</u>	<u>38,755</u>	<u>41,634</u>	<u>44,194</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>38.03%</u>	<u>32.25%</u>	<u>36.70%</u>	<u>33.52%</u>	<u>28.35%</u>	<u>31.98%</u>	<u>28.08%</u>	<u>42.91%</u>	<u>39.47%</u>	<u>36.23%</u>

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI

TABLE 15

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

Fiscal Year	Principal		Interest		Total Debt Service		Total Governmental Expenditures		Ratio of Debt Service to General Governmental Expenditures
	\$		\$		\$		\$		
2009	\$	3,218	\$	1,384	\$	4,602	\$	28,001	16.44%
2010		2,218		935		3,153		28,392	11.11%
2011		3,212		3,194		6,406		33,417	19.17%
2012		3,474		4,627		8,101		29,595	27.37%
2013		3,258		2,606		5,864		34,536	16.98%
2014		2,869		1,916		4,785		34,880	13.72%
2015		2,199		2,293		4,492		35,340	12.71%
2016		3,826		2,250		6,076		32,915	18.46%
2017		4,172		2,676		6,848		31,300	21.88%
2018		4,423		2,459		6,882		32,266	21.33%

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

Source: Audited Financial Statements

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

Calendar Year	Population	Personal Income		Per Capita Personal Income		Median Age	County School Enrollment		Unemployment Rate
		(thousands of dollars)	\$	(thousands of dollars)	\$		School	Enrollment	
2009	22,849	\$ 904,957	\$ 39,606			32.0	11,487		6.3%
2010	21,708	807,538	37,200			34.4	11,575		5.7%
2011	24,047	869,299	36,150			34.4	12,159		7.6%
2012	24,596	863,147	35,093			34.4	11,811		6.5%
2013	24,542	898,360	36,605			34.2	12,182		6.3%
2014	24,592	876,852	35,656			35.1	12,506		5.3%
2015	24,221	868,783	35,869			33.7	12,772		4.2%
2016	24,351	873,446	35,869			33.7	13,075		4.4%
2017	24,483	887,582	36,253			33.3	13,171		3.6%
2018	24,266	879,715	36,253			33.3	13,252		3.4%

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

CITY OF RIDGELAND, MISSISSIPPI

TABLE 19

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	(2) Rank	Percentage of Total Employment (1)
C-Spire	813	1	3.48%	-	-	-
Madison County Schools	476	2	2.04%	-	-	-
Butler, Snow	335	3	1.44%	230	3	Unknown
Bankplus	281	4	1.20%	-	-	-
Wal-Mart Superstore	270	5	1.16%	425	1	Unknown
City of Ridgeland	253	6	1.08%	-	-	-
Horne LLP	214	7	0.92%	179	4	Unknown
Morgan-White Group, Inc.	165	8	0.71%	-	-	-
American Healthtech Inc.	150	9	0.64%	-	-	-
Copeland Cook Taylor Bush PA	130	10	0.56%	-	-	-
Southern Farm Bureau				271	2	Unknown
Gulf South Medical Supply				150	5	Unknown
Total employees of principal employers	3,087		13.23%	1,255		Unknown
Total employees of other employers	20,245		86.77%	Unknown		Unknown
Total	23,332		100.00%	Unknown		Unknown

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

(1) Information was unavailable.

(2) The only information available for 2009 was the top 5 Employers.

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

Fiscal Year	Real Property Value (2)	Non-Residential		Residential		Additions/ Alterations (1)	
		Construction (1)	Number of Units	Value	Number of Units	Construction (1)	Value
2009	\$ 1,978,151	23	23	8,347	15	10,005	93
2010	2,150,431	121	121	18,864	22	9,792	76
2011	2,277,829	123	123	19,448	24	12,233	108
2012	2,307,961	104	104	8,075	35	18,369	161
2013	2,331,177	142	142	19,024	35	14,774	108
2014	2,357,039	120	120	18,924	77	29,655	125
2015	2,463,158	100	100	20,416	89	33,606	118
2016	2,445,322	90	90	19,638	62	26,517	162
2017	2,461,374	81	81	29,118	55	21,761	156
2018	2,503,852	99	99	36,948	63	25,818	197

(1) From Table 20

(2) Total estimated actual value from Table 7

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI

TABLE 23

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
Building permits issued*	115	219	255	300	285	322	307	314	292	359
Building inspections conducted	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police:										
Arrests	3,730	3,302	3,447	3,393	3,735	3,817	3,619	3,764	3,945	3,322
Traffic violations	14,277	11,971	14,734	12,980	11,968	12,266	15,738	13,412	12,674	12,832
Parking violations	118	106	81	96	103	100	86	125	64	74
Fire:										
Number of emergency calls answered	2,245	2,348	2,030	2,022	2,697	2,642	2,968	2,826	3,204	3,610
Number of inspections conducted	1,037	866	900	639	476	615	662	1,136	990	715
Fire insurance rating	5	5	5	5	5	5	5	5	5	4
Public Services:										
Centerline miles of road maintained:										
City	140	140	140	142	223	225	227	227	227	227
Street resurfacing (miles)	**	**	**	**	**	**	**	**	**	**
Potholes repaired	**	**	**	**	**	**	**	**	**	**
Sanitation:										
Water:										
Service connections	7,720	7,720	7,720	7,712	8,478	8,470	8,828	8,828	9,078	9,026
Water main breaks	3	6	6	-	-	-	-	-	-	-
Average daily consumption (thousands of gallons)	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	4,060	3,495
Number of fire hydrants	870	910	935	940	940	948	987	987	989	989
Sewer:										
Average daily sewage treatment (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Culture and recreation:										
Library:										
Volumes in collection	**	**	**	**	**	**	**	**	**	**
Total volumes borrowed	**	**	**	**	**	**	**	**	**	**
Parks:										
Athletic field permits issued	**	**	**	**	**	**	**	**	**	**

* Totals include Residential and Nonresidential

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

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

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI

TABLE 25

MISCELLANEOUS STATISTICS

Date of incorporation	1899	Average selling price of homes	\$ 176,700
Form of government	Mayor/Aldermen	Median income - household	55,647
Population (estimated census)	24,266		
Area in square miles	21	Major highways	1
Number of employees (excluding police and fire):			
Classified	88	Railroads	Canadian Nt. - Illinois Central
Exempt	27		
City of Ridgeland facilities and services:		Nearest commercial airport:	Jackson International, 18 miles
Culture and recreation:			Runway length 8,500 feet
Ballfields	11		
Tennis courts	17	Nearest general airport:	Bruce Campbell Field, 3 miles
Soccer fields	8		Runway length 4,444 feet
Police protection:			
Number of sworn officers	76	Nearest full-service port:	Port of Vicksburg, 55 miles
Number of residents per sworn officer	319.29		Name of waterway - Mississippi River
Water system:			
Maximum capacity in gallons per minutes	6,166		
Other statistics:			
Percentage of population (>25 yrs.) with at least:			
High school diploma	92.9%		
Bachelor's degree	50.4%		

Source: City of Ridgeland

U.S. Census Bureau

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements, and have issued our report thereon dated March 22, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. 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.

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Ridgeland, Mississippi's compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Ridgeland, Mississippi's major federal program for the year ended September 30, 2018. The City of Ridgeland, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Direct programs:			
Federal Bureau of Investigation Jackson Safe Streets Task Force	16.UNKNOWN		\$ 17,803
United States Marshalls Service Regional Fugitive Task Force	16.UNKNOWN		14,278
Bulletproof Vest Partnership Program	16.607		<u>10,353</u>
Total U.S. Department of Justice			<u>42,434</u>
U.S. Department of Transportation			
Pass-through programs from:			
Mississippi Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	STP-8323-00(004)	81,793
Highway Planning and Construction	20.205	STP-6945-00(009)	<u>1,367,424</u>
Total Highway Planning and Construction Cluster			<u>1,449,217</u>
Pass-through programs from:			
Mississippi Department of Public Safety			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PT-2018-PT-23-01	<u>6,548</u>
Total Highway Safety Cluster			<u>6,548</u>
Alcohol Open Container Requirements	20.607	154AL-2018-ST-23-01	<u>33,466</u>
Total U.S. Department of Transportation			<u>1,489,231</u>
Executive Office of the President			
Pass-through programs from:			
Mississippi Bureau of Narcotics - Gulf Coast HIDTA			
High Intensity Drug Trafficking Area Program - State and Local Assistance	95.001	G17-GC0003A	4,616
High Intensity Drug Trafficking Area Program - State and Local Assistance	95.001	G18-GC0003A	<u>16,861</u>
Total Executive Office of the President			<u>21,477</u>
U.S. Department of Homeland Security			
Pass-through program from:			
Mississippi Department of Public Safety - Office of Homeland Security			
Homeland Security Grant Program	97.067	17HS316	<u>85,406</u>
Total U.S. Department of Homeland Security			<u>85,406</u>
Total Expenditures of Federal Awards			\$ <u>1,638,548</u>

See accompanying notes to schedule of expenditures of Federal awards.

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

(1) SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Ridgeland, Mississippi, were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the City of Ridgeland, Mississippi, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major Federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major Federal award programs for the City of Ridgeland, Mississippi, expresses an unmodified opinion on its major Federal program.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as a major program are as follows:

<u>Program</u>	<u>Federal CFDA Number</u>
Highway Planning and Construction Cluster:	
Highway Planning and Construction	20.205

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The City of Ridgeland, Mississippi, was determined to not be a low-risk auditee.

(2) FINDINGS - FINANCIAL STATEMENT AUDIT

None.

(3) FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

STATE COMPLIANCE SECTION