

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**Comprehensive Annual Financial Report**

**City of Biloxi, Mississippi**

**Fiscal Year Ended September 30, 2020**





**Comprehensive Annual Financial Report**

**City of Biloxi, Mississippi**

**Fiscal Year Ended September 30, 2020**

Prepared by:

Department of Finance and Administration



**City of Biloxi, Mississippi**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2020**  
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## **SECTION I**

### **INTRODUCTORY SECTION**



# City of Biloxi, Mississippi

Listing of City Officials as of September 30, 2020

## Elected Officials

|                         |                       |
|-------------------------|-----------------------|
| Mayor .....             | Andrew (FoFo) Gilich  |
| Councilman Ward 1 ..... | George Lawrence       |
| Councilman Ward 2 ..... | Felix Gines           |
| Councilman Ward 3 ..... | Dixie Newman          |
| Councilman Ward 4 ..... | Robert L. Deming, III |
| Councilman Ward 5 ..... | Paul A. Tisdale       |
| Councilman Ward 6 ..... | Kenny Glavan          |
| Councilman Ward 7 ..... | Nathan Barrett        |

## Appointed Officials

|   |                    |
|---|--------------------|
| City Clerk .....                        | Stacy Thacker      |
| Chief Administrative Officer .....      | E. Michael Leonard |
| Director of Police Department .....     | John Miller        |
| Director of Fire Department .....       | Joe Boney          |
| Director of Public Works .....          | Billy Ray Allen    |
| Director of Community Development ..... | Jerry Creel        |
| Director of Parks and Recreation .....  | Cheryl Bell        |
| Director of Legal .....                 | Peter Abide        |



## **Letter of Transmittal**



**Mayor**

Andrew "FoFo" Gilich

**City Council**

George Lawrence, Ward 1  
Felix O. Gines, Ward 2  
Dixie Newman, Ward 3  
Robert L. Deming III, Ward 4  
Paul A. Tisdale, Ward 5  
Kenny Glavan, Ward 6  
Nathan Barrett, Ward 7



140 Lameuse Street  
P.O. Box 429  
Biloxi, MS 39533  
[www.biloxi.ms.us](http://www.biloxi.ms.us)

**FROM THE MAYOR'S DESK:**

The City of Biloxi fiscal year ending on September 30, 2020 was a period where city financial status was substantially impacted by the COVID-19 Pandemic. Our first city employee tested positive in March 2020. Shortly thereafter first responders and other city employees became infected. The city followed state and federal guidelines regarding quarantine. To protect the health of city employees, many were sent home to quarantine on full pay while others were recalled at premium pay rates. While expenses were rising, businesses were shutting down and the city's revenues declined precipitously.

Total revenue, including casino and sales tax revenues for the fiscal year were below prior year totals by \$9 Million. Even the water/sewer revenues declined as hotel and hospitality business declined. In response to the revenue shortfalls, the City immediately cancelled travel, established a hiring freeze and eliminated most capital purchases. At fiscal year end the City was operating with over 40 personnel vacancies.

Despite aggressive budget control, General Fund expenses exceeded revenues, which accounted for the decrease in fund balance during the period, Water/Sewer fund revenues did exceed expenses for the period. One bright spot was ad valorem tax collection which saw continued growth as many new homes and businesses came on line during the year. Across the city 265 new residential home construction permits were issued and 180 certificates of occupancy were issued for new homes. The city's bond rating remained an excellent AA (-) which allowed the City to refinance two general obligation bonds and significantly reduce the interest needed to pay off these bonds.

During the year we moved closer to completing the massive federally-funded infrastructure project that is bringing new utilities, drainage and paving to the City. Work in east Biloxi was completed, setting the table for economic growth and an improved quality of life in our city. Using a host of federal and state grants, and in cooperation with Harrison County, we continued a program that will revitalize our waterfront and marinas improving public access to the Biloxi Shoreline. Projects like the West Biloxi Boardwalk and East Biloxi Living Shoreline were just two of many projects completed which will allow our residents and visitors to enjoy a unique waterfront experience.

I'm proud to say that our City has continued to be served by the best-trained and best-equipped Police and Fire Departments in the state. During the pandemic these first responders continued to patrol city streets and respond to calls for service at great risk to themselves.

Fiscal year 2020 was a challenging year but we finished strong.

Sincerely,

Andrew "FoFo" Gilich  
Mayor



**Mayor**  
Andrew "FoFo" Gilich

**City Council**  
George Lawrence, Ward 1  
Felix O. Gines, Ward 2  
Dixie Newman, Ward 3  
Robert L. Deming III, Ward 4  
Paul A. Tisdale, Ward 5  
Kenny Glavan, Ward 6  
Nathan Barrett, Ward 7



140 Lameuse Street  
P.O. Box 429  
Biloxi, MS 39533  
[www.biloxi.ms.us](http://www.biloxi.ms.us)

January 19, 2022

Mayor and City Council  
City of Biloxi, Mississippi

We are pleased to submit the Comprehensive Annual Financial Report of the City of Biloxi (municipal government and its component unit) for the fiscal year ended September 30, 2020. The Administration of the City of Biloxi is responsible for the information presented in this report. We believe that the accompanying information is accurate and complete and fairly presents the financial position of the municipal government of the City of Biloxi as of September 30, 2020 and results of operations for the fiscal year then ended.

### **Control Environment**

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

### **Budgetary Controls**

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

Following these workshops, the Council will adopt and publish the proposed budget if the revenue projections are sound and the proposed spending is necessary to provide the level of services to accomplish the program goals and capital improvements. After adopting the budget for the coming year the City Council will set the property tax rate at a level that will generate the property tax revenue necessary to raise the budgeted ad valorem tax revenue.

Mississippi law prohibits spending in excess of the budget formally adopted by the City Council and spread upon the Council's minutes. The formal budget adopted by the Council sets a limit for total expenditures for each department. For management and control purposes, a budget with greater detail is utilized by City management personnel to monitor spending. For this purpose, the total budget of each department is spread to the expenditure accounts of each department's various divisions and sections. Programmatic constraints within the City's computerized purchasing system prohibit unauthorized purchases in excess of the budget at the expenditure account level.

The City utilizes an encumbrance accounting system in monitoring spending. An encumbrance system provides for charges against the budget at the time goods or services are ordered rather than waiting until the invoice is received or the payment is made.

### **Independent Audit**

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

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

### **Management's Discussion and Analysis**

Management's Discussion and Analysis follows the opinion of the independent auditor and provides a narrative overview and analysis of the basic financial statements.

### **Profile of the City of Biloxi (The Reporting Entity)**

The City of Biloxi, Mississippi was incorporated in 1838. Biloxi is located in Harrison County, and its southern corporate boundary is the Gulf of Mexico. Biloxi is part of the Biloxi, Gulfport, Pascagoula Combined Statistical Area (MSA). This area has a diverse economic base which includes tourism, casino gaming, fishing, seafood processing, shipping, shipbuilding, and petroleum and chemical processing. Keesler Air Force Base, Naval Construction Battalion Center-Gulfport and Huntington-Ingalls Shipbuilding's Pascagoula facility are located within this Combined Statistical Area. The City of Biloxi's employees provide a full range of services to the City's citizens and visitors including planning and zoning, police and fire protection, culture and recreation, infrastructure maintenance, water and sanitation.

This report includes all funds of the City of Biloxi and any entity that management has determined to be a component unit of the City of Biloxi municipal government. Component units are entities for which the primary government (the City) is financially accountable and other entities whose relationship with the City is such that its exclusion would create misleading or incomplete financial information. The Point Cadet Development Corporation, a non-profit organization, is blended in the financial statements of the City of Biloxi as a proprietary fund.

## Long-Term Financial Planning

The City ended fiscal 19/20 with a General Fund balance of \$10.1 million. The general fund balance decreased by \$5.2 million (page 26) on a modified accrual basis and increased \$0.3 million (page 73) on a budget basis for the fiscal year ended September 30, 2020. The City was impacted by the coronavirus and was proactive in measures to mitigate the effects of the economic shut down by curtailing expenses and refinancing debt.

## Local Economy and Relevant Financial Policies

The City's governing authority increased water and sewer rates in fiscal year 2016 for four years. In fiscal year 2020, the City's governing authority approved additional rate increases through fiscal year 2024 to continue its goal of stabilizing the Water and Sewer Enterprise Fund. For fiscal year 2020, operating income was a net positive.

The City has not changed its ad valorem tax rate since fiscal year 2001 when it decreased the tax rate from 47.71 mills to 30.10 mills. As shown in Figure 1, for fiscal year 2020 the City experienced a decrease in gaming tax, sales tax and ad valorem tax revenues mainly due to the coronavirus pandemic that affected the nation starting in March 2020. Casinos, restaurants, bars, shops, etc. closed mid-March and remained closed for part or all of April and May. Upon reopening many businesses operated at a decreased or limited capacity for many more months. For fiscal year 2020, gaming tax revenue was down \$3.9 million, sales tax revenue was down \$1.3 million and ad valorem tax revenue was down \$470,000.

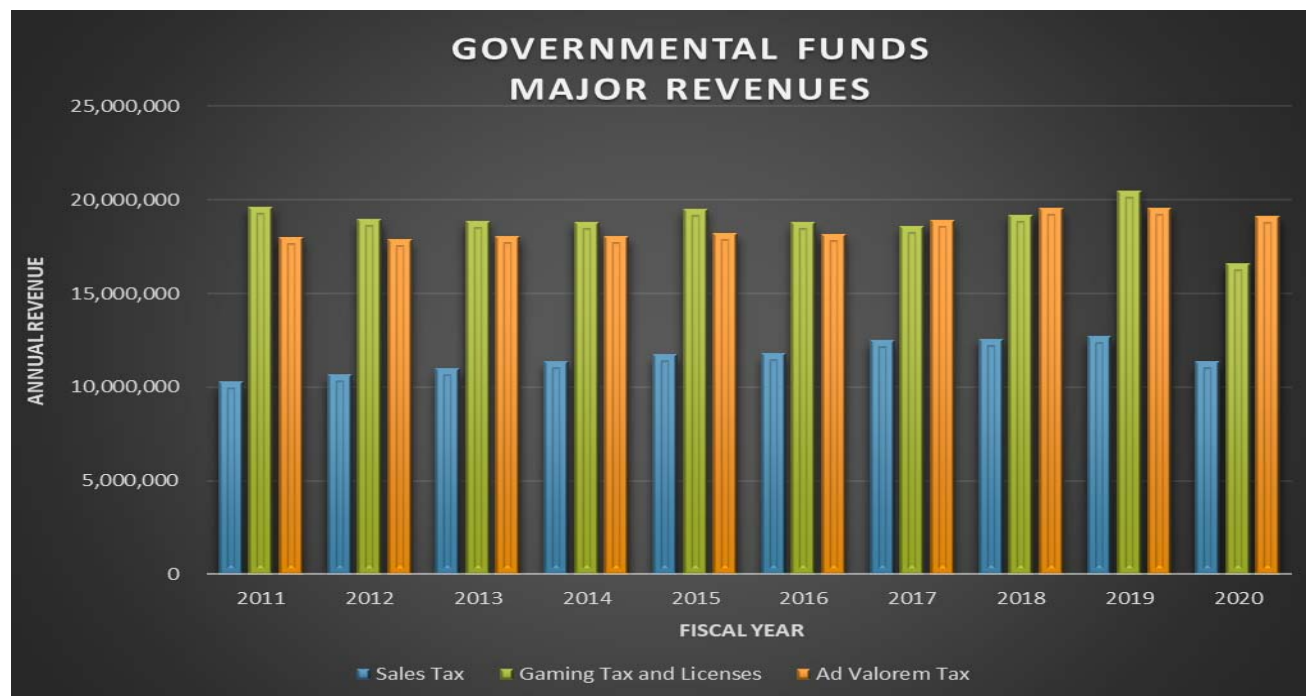


Figure 1

Construction and reconstruction in the City of Biloxi continues on an upward trend. In fiscal 19/20, the City issued 4,022 building permits (Figure 2) with a total valuation of \$60,079,689 (Figure 3). Of the building permits issued, 1,432 permits were issued for single family housing with an estimated value of \$43,808,000.

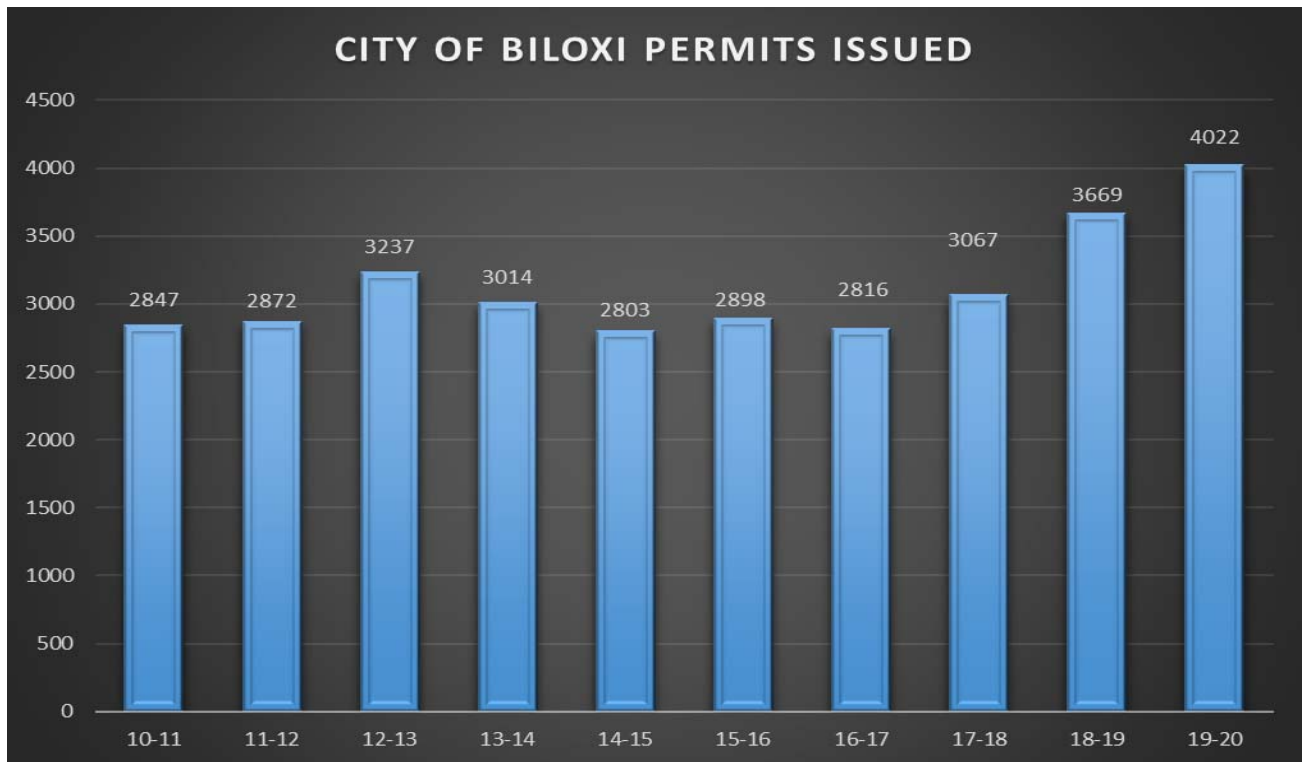


Figure 2

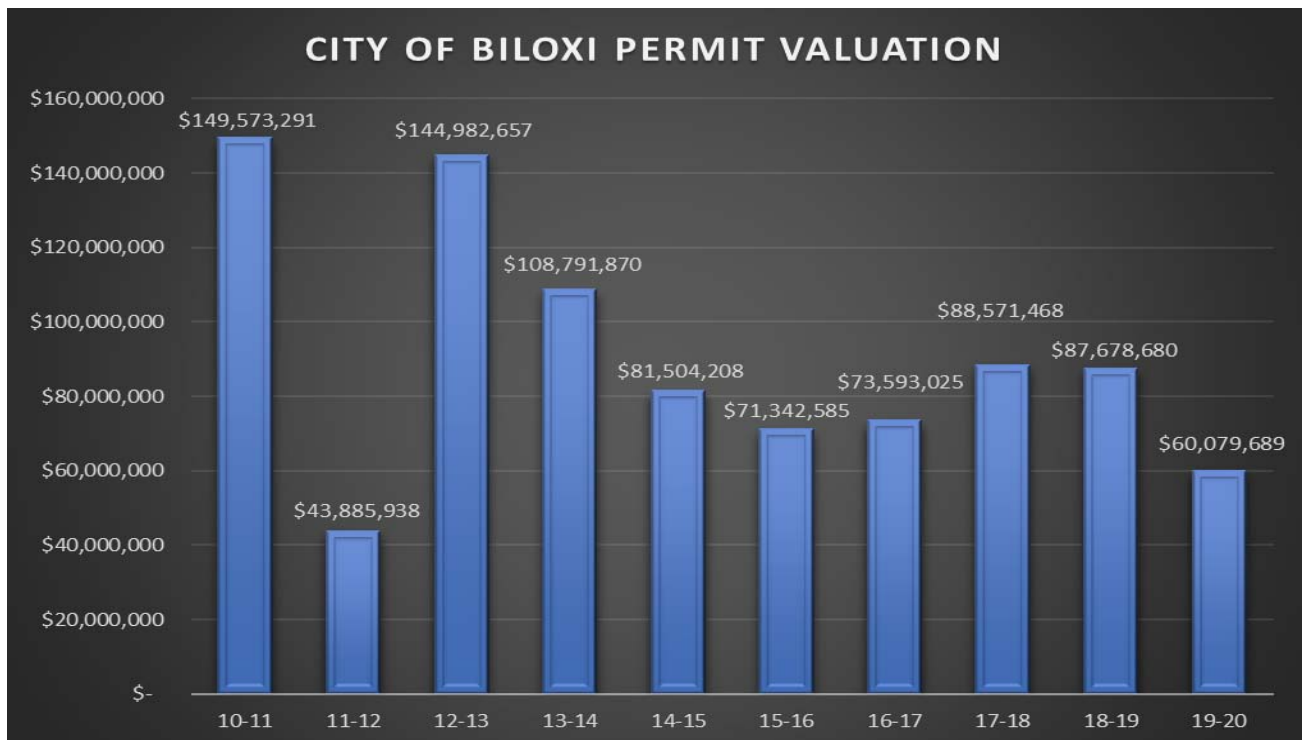
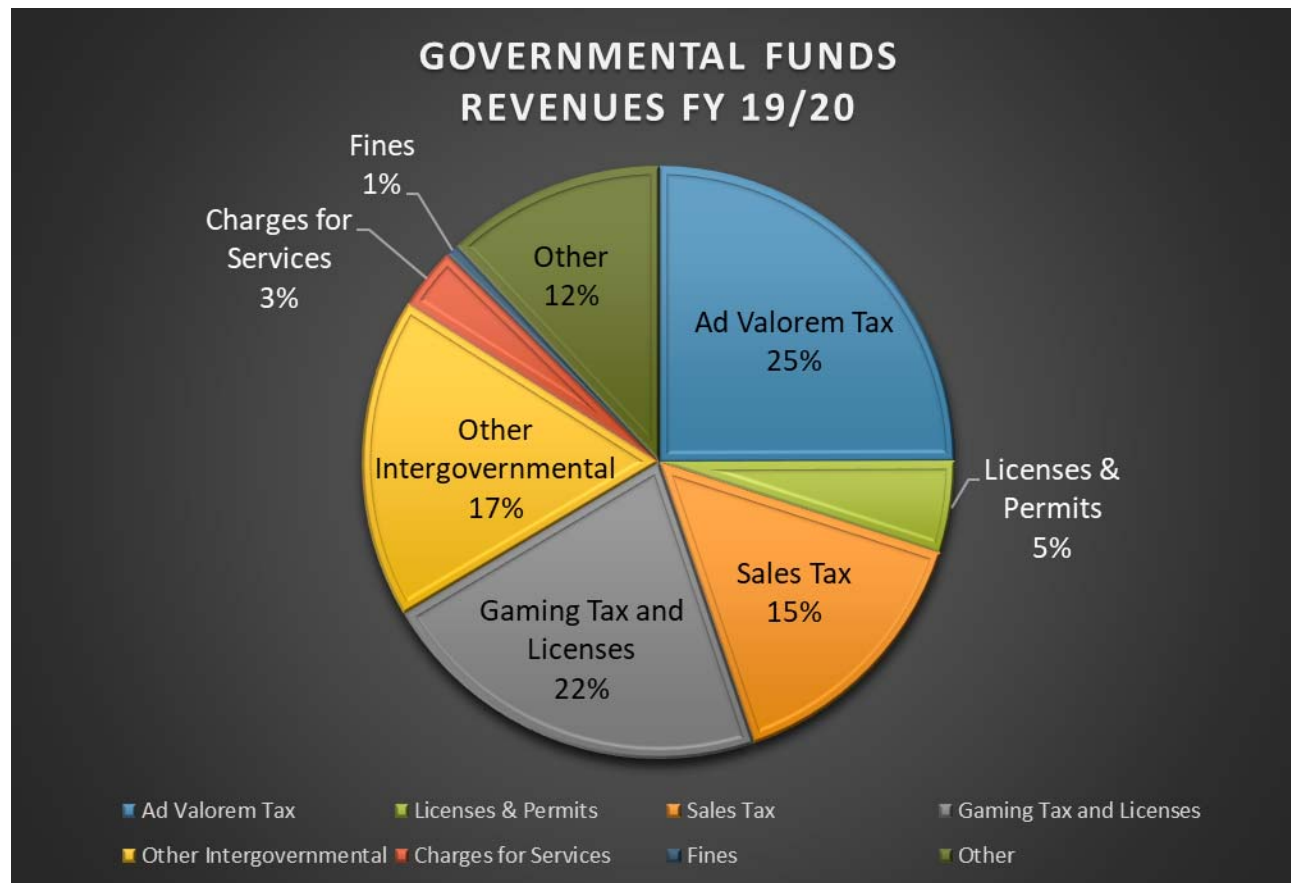


Figure 3

Governmental funds are used to account for most City functions and operations including the various City departments, the City's two closed retirement plans, Community Development Block Grants, capital projects, and the City's general obligation debt payments. Figure 4 illustrates the relative amounts of various general governmental revenues for the fiscal year. Typically, the City's three largest sources of operating revenues for general governmental activities are gaming tax, ad valorem tax and sales tax.



**Figure 4**

Gaming tax and sales tax are shown separately here but are included in the City's governmental funds financial statements on the line titled "Intergovernmental Revenues". Intergovernmental revenues are collected by other governmental entities such as state government and distributed to the City. Other Intergovernmental Revenue includes other taxes collected by Harrison County and the State of Mississippi and state and federal grants.

**Property Taxes** - In Mississippi, property taxes are levied by municipalities and counties on the assessed value of land and buildings, mobile homes, automobiles, business inventory and equipment. Assessed value is a prescribed percentage of the true (appraised) value of each class of property. Classes of property and assessment ratios are defined in Section 112 of the Mississippi Constitution of 1890.

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

Ad valorem taxes are collected in arrears. The taxes for a calendar tax year are due by February 1 of the subsequent calendar year. Each year the governing authorities of the City of Biloxi determine the total assessed value of property situated within the City limits. Prior to the beginning of a new fiscal year, October 1, they set the tax rate (levy) that will generate the tax revenue needed for the upcoming fiscal year. In each fiscal year, the City collects the ad valorem taxes for the prior calendar tax year. To summarize, the formula for determining tax revenues from each class of property is “Appraised value X assessment ratio X tax levy = tax amount”.

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

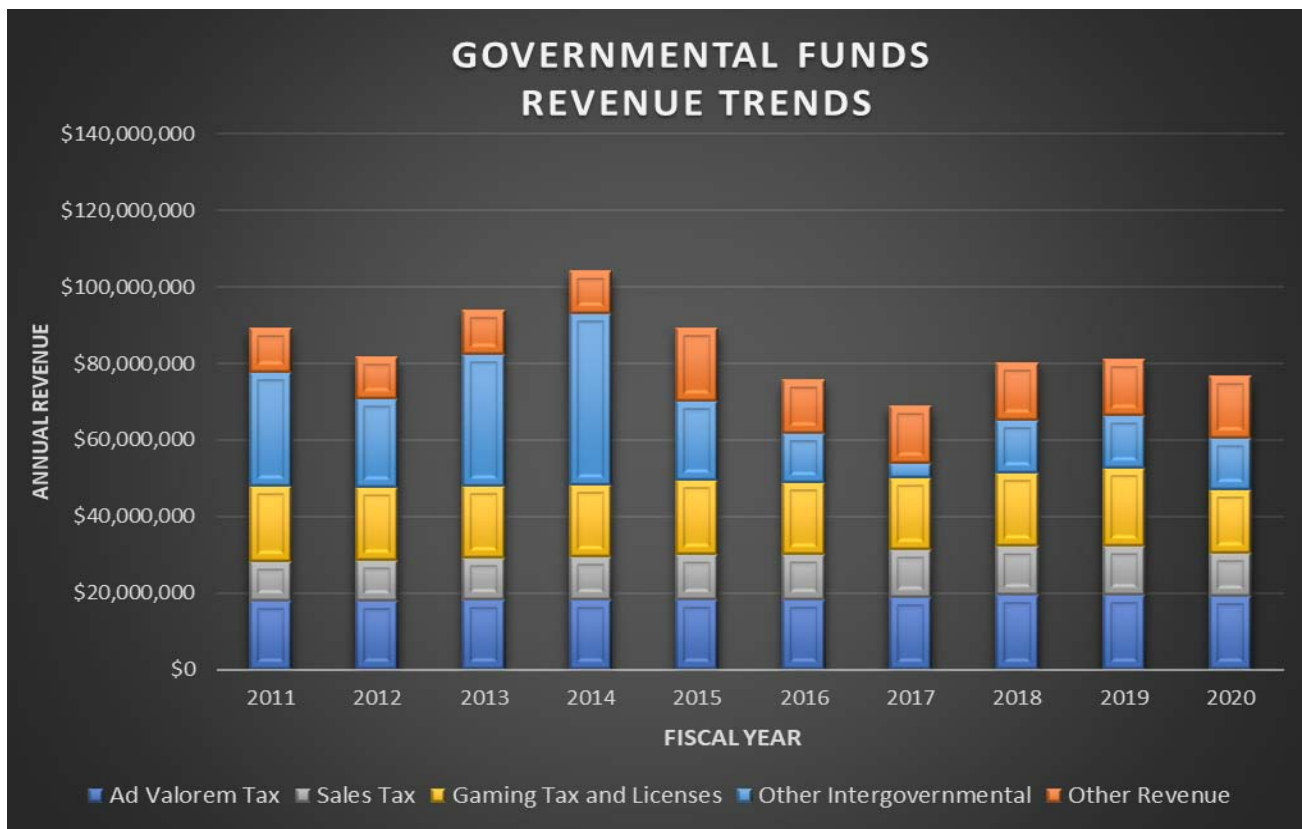
**Gaming Taxes** - All taxes on gross gaming revenue and gaming devices are collected by the State Tax Commission, including those taxes levied by municipalities. The Gaming control act of 1990 provided a tax of eight tenths of one percent (.8%) on casino gross gaming income. This tax revenue is divided between Harrison County and the City in the proportion of the population of each.

House Bill 1504, Regular Session of 1992 (Local and Private Legislation) provided for a tax of three and two tenths of one percent (3.2%) of gross gaming revenue. On the tenth day of each month the State Tax Commission remits the taxes collected in the previous month to the City’s general fund which is then distributed in the following ratios:

- 40% retained by general fund
- 20% for public safety
- 20% for education purposes (Biloxi sends this 20% to the Biloxi Public School District)
- 10% to Harrison County for public safety purposes
- 10% for educational purposes in Harrison County (This 10% is distributed to the various school districts in Harrison County in the proportion of each district student enrollment to total enrollment of all school districts in the county.)

House Bill 1504 also provided for a licensing fee of \$150, annually, for each gaming device. In addition to local taxes, the Mississippi Gaming Control Act, codified in chapter 76, in title 75 of the Mississippi Code of 1972, provides that casinos pay a fee of 8% of gross gaming revenue to the State of Mississippi.

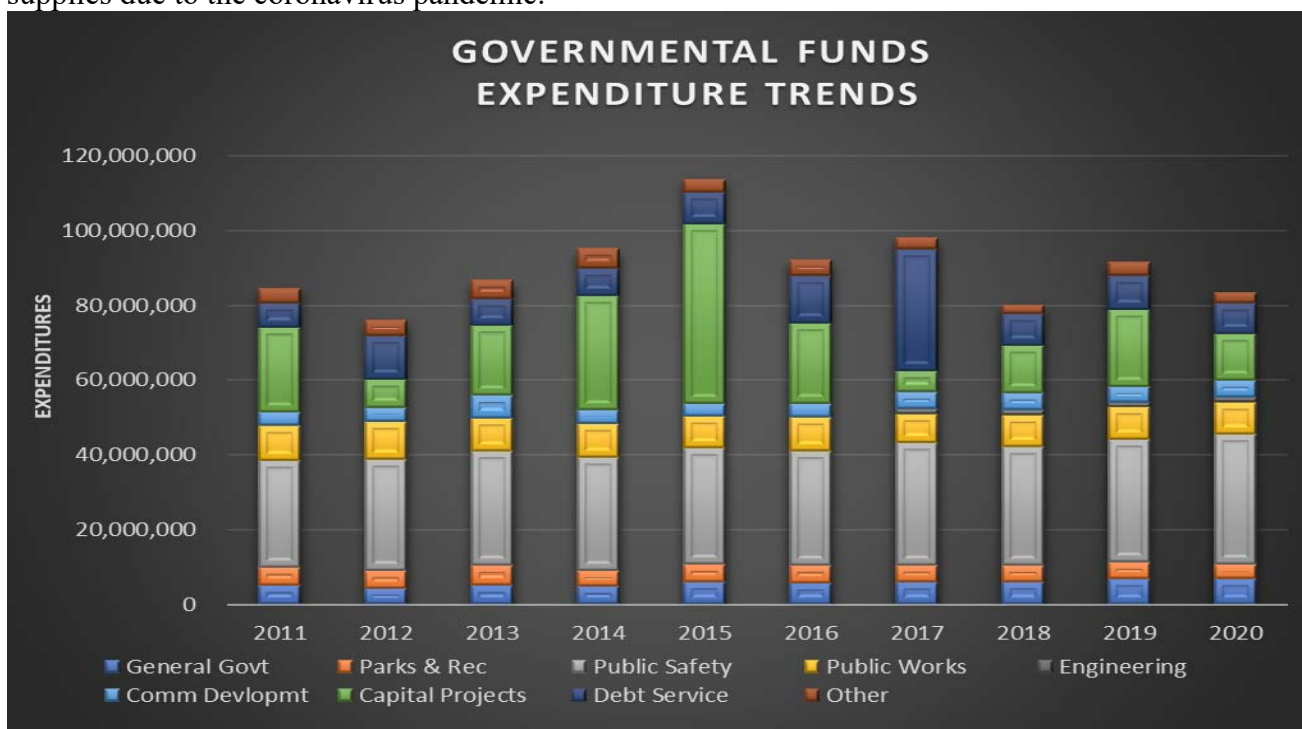
Figure 5 illustrates the trends in annual totals of revenue sources for the City’s governmental funds. Casino gaming and the resulting gaming taxes were implemented in 1992, and since that time, gaming tax revenues have become the largest, regular revenue source for the City. Due to the coronavirus pandemic the City experienced a decrease in gaming tax, sales tax and ad valorem tax revenues for fiscal year 2020. Gaming tax revenue was down \$3.9 million, sales tax revenue was down \$1.3 million and ad valorem tax revenue was down \$470,000.



**Figure 5**

### General Governmental Expenditures

Figure 6 illustrates the trends in spending for the various services and functions accounted for in the City's governmental funds. Of the City's governmental funds, Public safety is the largest expenditure category and experienced an increase in fiscal year 2020, due to the purchase of police vehicles and equipment as well as the purchase of additional personal protective equipment and cleaning supplies due to the coronavirus pandemic.



**Figure 6**



## Water and Sewer Fund

The City of Biloxi provides water production, water distribution, sewer collection and sewer treatment services. The City accounts for the cost of these services and related revenues in an enterprise fund. The City's goal is to pay the cost of the services and maintenance of the utility systems with the revenue generated by billing customers for their use of the service.

A large portion of the cost of water/sewer services is the City's share of the debt service of the Harrison County Utility Authority, which provides sewer treatment service. Because the debt service is a "fixed" cost (does not vary due to the number of customers served) the City's rates, applied to the consumption of the reduced number of customers, did not generate sufficient revenue to cover the cost of services in previous years. On February 2, 2016, the city council adopted Ordinance No. 2297 approving a 3% rate increase beginning in 2016 for four (4) years to provide sufficient revenue to stabilize the Water and Sewer Fund in future years. On August 4, 2020, this ordinance was amended by Ordinance No. 2425 and approved a 2% rate increase for 2021 through 2024. The City's governing authority is committed to future rate adjustments in order to balance the cost of constructing, repairing, and operating the water/sewer system.

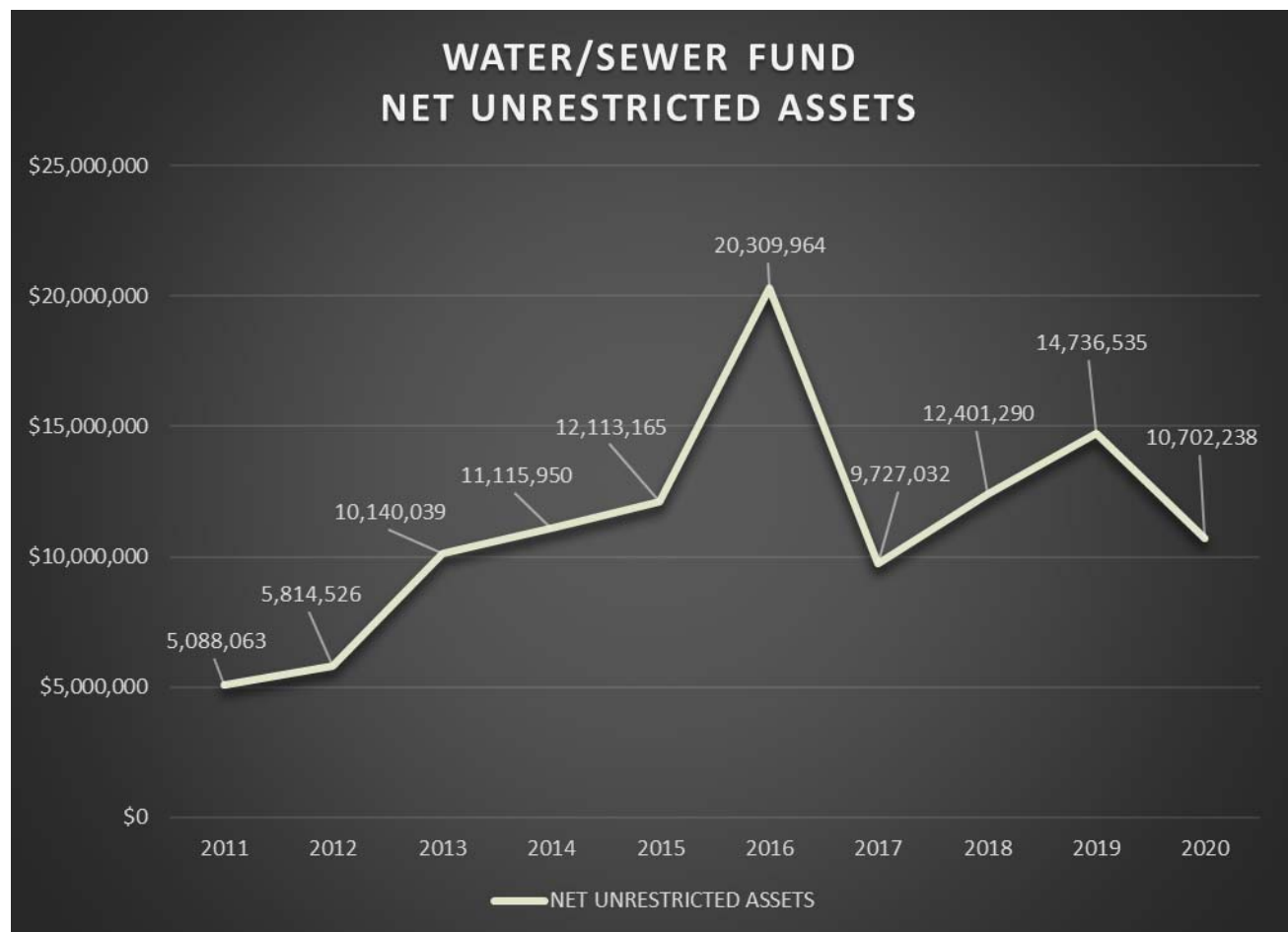


Figure 7

E. Michael Leonard, Chief Administrative Officer

Diana Thornton, Controller/Accounting Manager





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Biloxi  
Mississippi**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

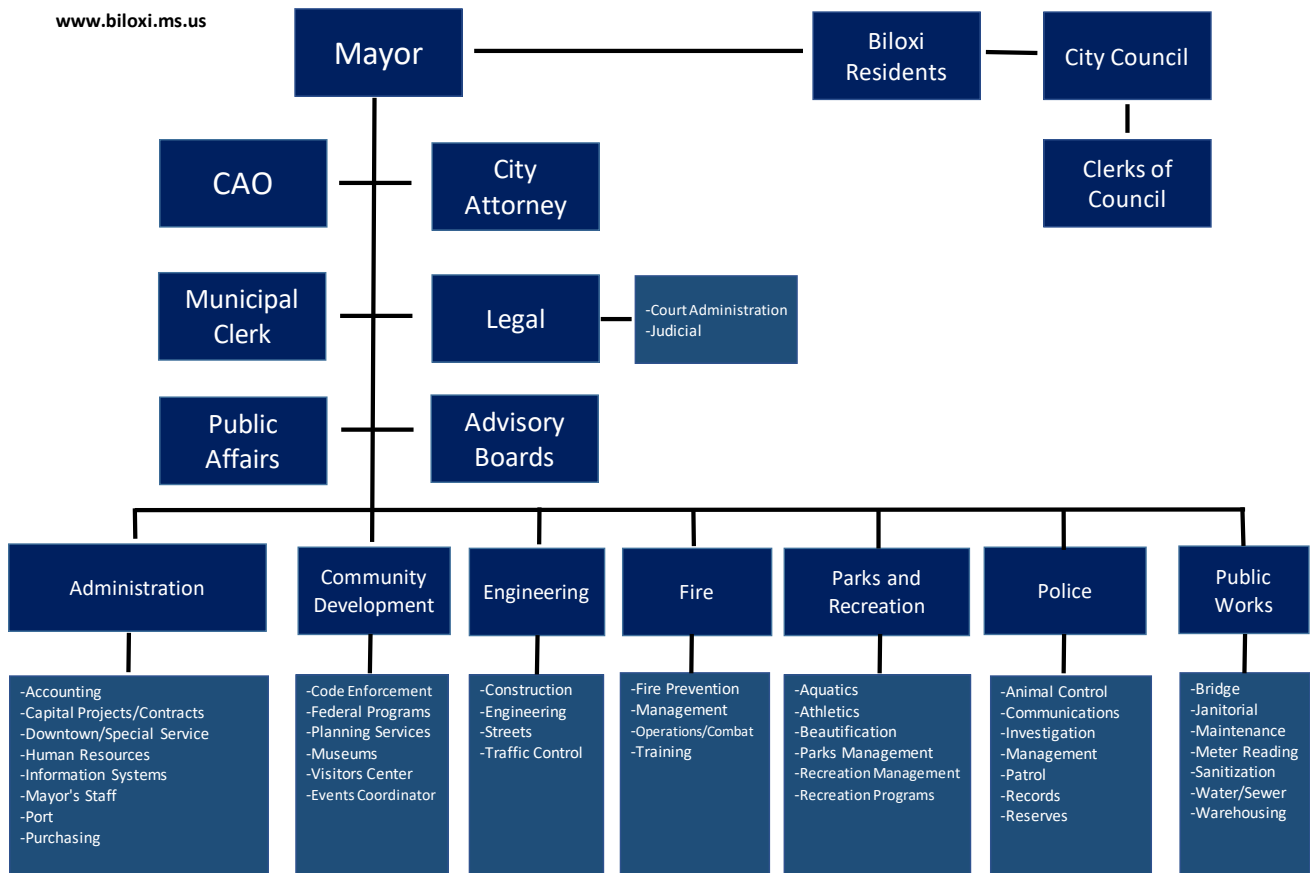
*Christopher P. Morill*

Executive Director/CEO



www.biloxi.ms.us

## Organizational Chart



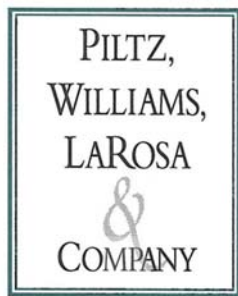
**Notes:**

1. City Departments (less Legal Department) report to the Mayor through the Chief Administrative Officer
2. The Legal Department reports to the Mayor through the City Attorney
3. All City Administrative Divisions (Human Resources, Purchasing, Contracts, Information Systems, Accounting, and the Port Division) report to the Chief Administrative Officer



**SECTION II**  
**FINANCIAL SECTION**





CERTIFIED PUBLIC ACCOUNTANTS  
*A Professional Association*

MEMBERS  
American Institute of CPAs  
AICPA Private Companies Practice Section  
AICPA Governmental Audit Quality Center  
AICPA Center for Audit Quality  
AICPA Employee Benefit Plan Audit Quality Center  
Mississippi Society of CPAs

John D. Prentiss, CPA  
Eric B. Bland, CPA  
David C. Neumann, CPA, CBA  
Mildrey Egües-Strickland, CPA  
Elsé A. Marie, CPA  
Jordan R. Church, CPA

Gerald Piltz, CPA (1925-2013)  
Stanford A. Williams, Jr., CPA (1935-2017)  
Sam J. LaRosa, Jr., CPA (Retired)  
William S. Thompson, CPA (Retired)  
Gene M. Clark, Jr., CPA (Retired)  
Darrell L. Galey, CPA (Retired)  
Margaret D. Glosson, CPA (Retired)  
Stephen P. Theobald, CPA, CVA  
Michael D. O'Neill, CPA

## Independent Auditors' Report

To the City Council  
City of Biloxi  
Biloxi, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Biloxi, Mississippi (City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Biloxi, Mississippi, as of September 30, 2020, 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 and budgetary comparison information on pages 17-21 and 72-73 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*

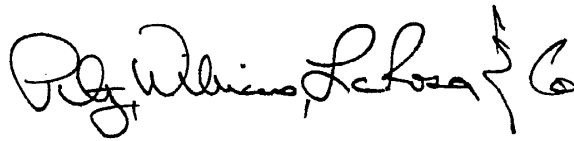
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Biloxi, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of investments – all funds, schedule of long term debt, schedule of surety bonds for municipal officials and other municipal employees, and statistical section 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, schedule of investments – all funds, schedule of long term debt, schedule of surety bonds for municipal officials and other municipal employees, 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, schedule of investments – all funds, schedule of long term debt, schedule of surety bonds for municipal officials and other municipal employees, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2022, on our consideration of the City of Biloxi, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Biloxi, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "P. J. Williams & Co.", with a stylized flourish at the end.

Certified Public Accountants

Biloxi, Mississippi  
January 19, 2022





## **Management's Discussion and Analysis**



## **City of Biloxi, Mississippi Management's Discussion and Analysis**

### **Brief Discussion of the Basic Financial Statements**

The City's management has prepared this discussion and analysis to provide an objective analysis of the City's financial activities and financial condition as presented in the basic financial statements which form a part of the City's Comprehensive Annual Financial Report (CAFR). The basic financial statements are presented in three parts: government-wide financial statements, fund financial statements and the notes to financial statements.

**Government-wide financial statements** focus on the overall financial position and activities of the City, in total, rather than the City's individual funds. In these statements, all governmental activities are consolidated into a column and all business-type activities are consolidated into a column. The two columns are added to present a total for the City as a whole. These statements include the Statement of Net Position which discloses all of the City's assets and liabilities and the difference which is titled "net position". Also included is the Statement of Activities which focuses on the cost of services provided and activities performed by the City and the source of money used to pay for the services and activities. The Statement of Activities also explains how the City's net position increased or decreased during the fiscal year. Both of the government-wide financial statements segregate functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from those functions that are mainly supported through charges to the consumer (business-type activities). The City's water and sewer utilities and the City's port operations are business-type activities. The government-wide financial statements present information for both governmental funds and proprietary funds on the accrual basis of accounting.

**Fund financial statements** follow the government-wide statements. These statements present the balance sheets and the statement of revenues, expenditures and changes in fund balance of the City's funds. The fund financial statements present governmental funds on the modified accrual basis of accounting. Some examples of the differences between the government-wide financial statements and the governmental fund financial statements, inherent in the differences in the basis of accounting are:

Under the modified accrual basis of accounting, capital outlays are expenditures of resources with no offsetting capital asset increase because capital assets are not shown on the balance sheet.

Principal payments on long-term debt are reported as expenditures with no offsetting reduction of liabilities because long-term liabilities are not shown on the balance sheet.

The proceeds of debt borrowing is reported as an increase (inflow) of expendable resources with no offsetting increase in liabilities.

A fund is a fiscal and accounting entity with a balanced set of accounts for recording and disclosing the reporting entity's stewardship of resources received and segregated for specific activities including the amount of resources received, the amount expended, liabilities owed and the residual balance (equity) of the funds. The City uses funds to segregate resources and resource use according to the purpose for which the resources were segregated. The objective of fund accounting is to demonstrate compliance with budgetary and legal requirements that apply to the resources segregated in each fund.

In the fund financial statements, each of the City's major funds is presented in a separate column. The City's non-major funds are combined and the totals presented in one column. The distinction between governmental type activities and proprietary type activities is maintained through the presentation of separate statements for these two types of funds.

**Governmental funds** are used to account for governmental functions of the City of Biloxi including administration, executive, legislative, legal (general governmental activities), public safety, public works, parks and recreation, public health and welfare, capital projects and debt service. These are the functions that are presented as "Governmental Activities" in the government-wide financial statements. Presentation of financial information for the City's governmental funds differs from the information presented in the government-wide financial statements because the focus of fund accounting is on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end.

**Proprietary funds** include enterprise funds and internal service funds. Enterprise funds are used for those activities which are financed, primarily, by charges to users and customers. Internal service funds are used for City activities that provide goods or services for the City's various funds and departments such as the City's Self Insurance Fund. In the government-wide financial statements these activities are called "business-type activities".

**Notes to the Financial Statements** provide additional information to explain the data presented in the basic financial statements.

## Government-wide Condensed Data – Governmental and Business-type Activities

Table 1  
City of Biloxi  
Net Position

|                              | Governmental Activities |                       | Business-Type Activities |                       | Total Primary Government |                       |
|------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
|                              | 2020                    | 2019                  | 2020                     | 2019                  | 2020                     | 2019                  |
| Current and other assets     | \$ 47,946,963           | \$ 52,426,611         | \$ 20,796,789            | \$ 21,472,302         | \$ 68,743,752            | \$ 73,898,913         |
| Capital assets               | 371,659,099             | 362,376,794           | 334,623,912              | 317,348,633           | 706,283,011              | 679,725,427           |
| Total assets                 | <u>\$ 419,606,062</u>   | <u>\$ 414,803,405</u> | <u>\$ 355,420,701</u>    | <u>\$ 338,820,935</u> | <u>\$ 775,026,763</u>    | <u>\$ 753,624,340</u> |
| Deferred Outflows            | <u>\$ 4,895,009</u>     | <u>\$ 1,862,954</u>   | <u>\$ 307,306</u>        | <u>\$ 124,880</u>     | <u>\$ 5,202,315</u>      | <u>\$ 1,987,834</u>   |
| Current & other liabilities  | \$ 7,025,823            | \$ 11,184,126         | \$ 24,690,146            | \$ 19,379,617         | \$ 31,715,969            | \$ 30,563,743         |
| Long-term liabilities        | 172,993,334             | 166,138,485           | 20,341,133               | 20,636,055            | 193,334,467              | 186,774,540           |
| Total liabilities            | <u>\$ 180,019,157</u>   | <u>\$ 177,322,611</u> | <u>\$ 45,031,279</u>     | <u>\$ 40,015,672</u>  | <u>\$ 225,050,436</u>    | <u>\$ 217,338,283</u> |
| Deferred Inflows             | <u>\$ -</u>             | <u>\$ 911,772</u>     | <u>\$ -</u>              | <u>\$ 60,266</u>      | <u>\$ -</u>              | <u>\$ 972,038</u>     |
| Net Position                 |                         |                       |                          |                       |                          |                       |
| Net inves. in capital assets | \$ 286,626,937          | \$ 284,853,022        | \$ 319,278,547           | \$ 301,144,479        | \$ 605,905,484           | \$ 585,997,501        |
| Restricted                   | 25,119,151              | 17,622,454            | 114,632                  | 127,734               | 25,233,783               | 17,750,188            |
| Unrestricted                 | (67,264,174)            | (64,043,500)          | (8,696,450)              | (2,402,336)           | (75,960,624)             | (66,445,836)          |
| Total net position           | <u>\$ 244,481,914</u>   | <u>\$ 238,431,976</u> | <u>\$ 310,696,729</u>    | <u>\$ 298,869,877</u> | <u>\$ 555,178,643</u>    | <u>\$ 537,301,853</u> |

**Table 2**  
**City of Biloxi**  
**Changes in Net Position**

|  | Governmental Activities |                | Business-Type Activities |                | Total Primary Government |                |
|--|-------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
|  | 2020                    | 2019           | 2020                     | 2019           | 2020                     | 2019           |
| Revenues   |                         |                |                          |                |                          |                |
| Program revenues                                     |                         |                |                          |                |                          |                |
| Charges for services                                 | \$ 9,288,258            | \$ 9,299,590   | \$ 18,699,538            | \$ 18,856,746  | \$ 27,987,796            | \$ 28,156,336  |
| Operating grants                                     | 5,831,483               | 1,318,071      | -                        | -              | 5,831,483                | 1,318,071      |
| Capital grants and contributions                     | 8,582,898               | 9,401,559      | 18,891,190               | 27,790,851     | 27,474,088               | 37,192,410     |
| General revenues                                     |                         |                |                          |                |                          |                |
| Property taxes                                       | 19,124,398              | 19,607,313     | 531,848                  | 518,810        | 19,656,246               | 20,126,123     |
| Intergovernmental, unrestricted                      |                         |                |                          |                |                          |                |
| Sales taxes  | 11,377,396              | 12,686,183     | -                        | -              | 11,377,396               | 12,686,183     |
| Gaming taxes   | 16,595,123              | 20,481,131     | -                        | -              | 16,595,123               | 20,481,131     |
| Franchise taxes                                      | 2,898,371               | 3,152,300      | -                        | -              | 2,898,371                | 3,152,300      |
| Other revenue  | 10,873,628              | 7,143,439      | 117,310                  | 290,751        | 10,990,938               | 7,434,190      |
| Total revenues                                       | 84,571,555              | 83,089,586     | 38,239,886               | 47,457,158     | 122,811,441              | 130,546,744    |
| Expenses   |                         |                |                          |                |                          |                |
| General government                                   | 9,229,650               | 9,049,952      | -                        | -              | 9,229,650                | 9,049,952      |
| Parks and recreation                                 | 6,670,266               | 6,777,956      | -                        | -              | 6,670,266                | 6,777,956      |
| Public safety  | 41,723,847              | 39,005,069     | -                        | -              | 41,723,847               | 39,005,069     |
| Public works   | 14,556,340              | 12,409,377     | -                        | -              | 14,556,340               | 12,409,377     |
| Community development                                | 5,451,408               | 4,584,615      | -                        | -              | 5,451,408                | 4,584,615      |
| Unallocated depreciation                             | 3,253,629               | 3,220,865      | -                        | -              | 3,253,629                | 3,220,865      |
| Interest on long-term debt                           | 2,981,649               | 2,406,688      | -                        | -              | 2,981,649                | 2,406,688      |
| Water and sewer service                              | -                       | -              | 17,131,002               | 16,557,960     | 17,131,002               | 16,557,960     |
| Port Fund activities                                 | -                       | -              | 3,936,863                | 3,797,116      | 3,936,863                | 3,797,116      |
| PCDC activities                                      | -                       | -              | -                        | -              | -                        | -              |
| Total expenses                                       | 83,866,789              | 77,454,522     | 21,067,865               | 20,355,076     | 104,934,654              | 97,809,598     |
| Increase (decrease) in net position before transfers | 704,766                 | 5,635,064      | 17,172,021               | 27,102,082     | 17,876,787               | 32,737,146     |
| Transfers  | 5,345,172               | 6,150,756      | (5,345,172)              | (6,150,756)    | -                        | -              |
| Increase (decrease) in net position                  | 6,049,938               | 11,785,820     | 11,826,849               | 20,951,326     | 17,876,787               | 32,737,146     |
| Net position beginning of year                       | 238,431,976             | 226,646,156    | 298,869,878              | 277,918,552    | 537,301,854              | 504,564,708    |
| Net position, end of year                            | \$ 244,481,914          | \$ 238,431,976 | \$ 310,696,727           | \$ 298,869,878 | \$ 555,178,641           | \$ 537,301,854 |

### Overall Financial Position and Results of Operations

The net position of governmental activities increased by \$6.0 million while the fund balances of governmental funds decreased by \$1.3 million. The change in net position is reconciled to the change in fund balances of governmental funds in the schedule titled Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities. One major reconciling item is capital expenditures which decrease fund balance in the governmental fund financial statements. These capital expenditures are reported as increases in capital assets in the Statement of Net Position rather than as an expense on the statement of Changes in Net Position.

The net position of business-type activities (Water and Sewer Fund and Port Fund) increased by \$11.8 million during FY 19/20. The increase was due in part to grant revenues from the Department of Homeland Security (FEMA) that continue to replace and upgrade the water and sewer infrastructure of the City. Additionally, the City has gradually increased its water and sewer rates over the past five years. These rate increases contributed to the growing net position.

## **Analysis of Significant Balances and Operation of Individual Funds**

### **Fund Balances**

**General Fund** - The General Fund is the City's primary operating fund. The General Fund at the fund level decreased its fund balance by \$5,203,489 and ended the year with a fund balance of \$10.1 million. The decrease is attributable to the coronavirus pandemic.

**Debt Service Fund** - The fund balance in the City's debt service funds is required to pay principal and interest maturities due at the beginning of each fiscal year before ad valorem tax revenues collections for the year are sufficient to cover debt service. Ad valorem tax revenue is the primary resource of the Debt Service Fund for payment of interest and principal.

**Water and Sewer Fund** – In prior years, revenues and other Water and Sewer Fund resources were not sufficient to pay the cost of operations. For fiscal year 19/20 the Water and Sewer Fund showed a profit in operating income \$59,153 which includes depreciation expense of \$2.4 million. The City's water and sewer rates are relatively low compared to other service providers in Mississippi. A 2% rate increase will occur in October of 2020. This is the first rate increase of four as approved by Ordinance No. 2425. The City's governing authority is committed to future rate adjustments to provide sufficient revenue to stabilize the Water and Sewer Fund in future fiscal years.

**General Capital Projects Fund** – The General Capital Projects Fund is the vehicle used to account for all major ongoing projects of the City including the infrastructure project that is funded through FEMA. Bond funds and grants account for most of the other sources of funding for projects other than the infrastructure project. Advanced funding on the MEMA/FEMA project accounts for the makeup of fund balance in this fund at year end.

### **Budget Variances in the General Fund**

The Required Supplementary Information section includes a budget to actual comparison for the City's General Fund revenues and expenditures. The comparison is made on the cash basis which differs from modified accrual because receivables and payables are not recognized. An explanation of the budget basis is provided in Note II.A. For FY 19/20 the City's governing authority originally budgeted a use of fund balance of \$4.1 million. At year-end the net change in fund balance increased by \$0.3 million. Revenues of the City's General Fund were below expectations by \$4.2 million due to the coronavirus pandemic. City management was able to keep expenditures below the budgeted expenditures and finished the year with a favorable variance of \$2.6 million. During the year the City Council amended the budget, primarily, for grant awards and related expenditures.

### **Capital Assets Activity**

During FY 19/20 the City increased its investment in capital assets for governmental activities by \$9.3 million, net of dispositions and depreciation. For business-type activities (Water/Sewer and Port) the City increased its investment in capital assets by \$17.3 million after dispositions and depreciation. Most of the additions were for construction of facilities or infrastructure. Much of the City's capital outlay was financed by FEMA grants. See Detail Note III. F, for additional information concerning capital asset activity for the fiscal year ended September 30, 2020.

## **Long-term Debt**

The City of Biloxi has long-term outstanding debt consisting of general obligation bonds, notes, limited obligation bonds and notes, loans, leases, and compensated absences. The long-term debt for the General Government was \$87,758,692 at the beginning of fiscal year 19/20. During the fiscal year, the City had additions to the General Obligation Bonds and Notes of \$24,868,000 and Capital leases of \$4,250,000. The allocation for compensated absences was increased by \$253,198. The City retired \$29,440,000 in General Obligation debt as well as \$1,955,294 in Limited Obligation bonds. Combined with the capital lease payments of \$758,200, the city reduced its long term debt by a net of \$32,153,494.

The City refunded its General Obligation Bonds, Series 2014A and 2014B (\$26,030,000) and issued General Obligation Bonds, Series 2020 and 2020A in June 2020 to lower its interest rate. The balance of long term debt at year-end was \$84,976,396. Debts related to the City's Business Type Activities totaled \$15,780,923. There was a net decrease of business-type debt of \$847,247 for the year. Harrison County is reimbursing the City for the full amount of debt service on the port bond issue. In the Supplemental Information section of the financial report is a schedule titled Schedule of Long-Term Debt which discloses the beginning balances of each debt, new debt incurred and the principal amount paid during the year.

State laws limit the amount of debt a municipality may incur. General obligation bonded debt, excluding debt issued for utility purposes, is limited to 15% of assessed valuation. All debt, excluding utility revenue debt and tax increment financing bonds, is subject to a limit of 20% of assessed value. Note III. I discloses the City's compliance with statutory debt limitations.

## **Credit Rating**

When a governmental entity issues bonds, it may obtain a rating from one or more of the bond rating agencies. The rating is a measure of the issuer's ability to repay the debt and provides a means whereby investors may measure the risk of their investment in the bonds.

On May 21, 2012, Standard & Poor's Rating Services raised its standard long-term rating from BBB+ to AA- with a stable outlook. On March 30, 2014, Standard & Poor's Rating Service affirmed that AA- for the City's long-term rating. Standard & Poor's Rating Services' rationale was based on:

- Historically very strong financial reserves that allowed it to absorb the loss of revenues associated with the impact of Hurricane Katrina;
- Stable tax base; and
- Moderate overall debt burden.

In conjunction with its 2019 General Obligation issue, the City of Biloxi requested a rating by Standard and Poor's rating services. On January 9, 2019, Standard and Poor's Global Ratings assigned its "AA-" long term rating to Biloxi, Mississippi Series 2019 General Obligation Public Improvement Bonds. This rating reflects an outlook of "stable" to this bond issue.

## **Contact Information**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Diana Thornton, Accounting Department, City of Biloxi, P.O. Box 429, Biloxi, MS 39533





## **Basic Financial Statements**

**City of Biloxi**  
**Statement of Net Position**  
September 30, 2020

|   | Primary Government         |                             |                       |
|---|----------------------------|-----------------------------|-----------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>Assets</b>   |                            |                             |                       |
| Cash and cash equivalents                               | \$ 26,415,710              | \$ 9,093,000                | \$ 35,508,710         |
| Restricted cash and cash equivalents                    | -                          | 1,758,007                   | 1,758,007             |
| Investments   | 244,289                    | 114,632                     | 358,921               |
| Restricted investments                                  | 10,544,434                 | -                           | 10,544,434            |
| Receivables   |                            |                             |                       |
| Taxes   | 6,168,815                  | -                           | 6,168,815             |
| Customer accounts, net                                  | 254,186                    | 2,387,317                   | 2,641,503             |
| Grants  | 1,241,480                  | 6,856,713                   | 8,098,193             |
| Other   | 1,944,252                  | 30,000                      | 1,974,252             |
| Prepays   | 1,132,992                  | -                           | 1,132,992             |
| Inventories   | -                          | 557,120                     | 557,120               |
| Mortgage loans receivable                               | 805                        | -                           | 805                   |
| Capital assets  |                            |                             |                       |
| Land and construction in progress                       | 121,092,982                | 203,853,084                 | 324,946,066           |
| Other (net of accumulated depreciation)                 | 250,566,117                | 130,770,828                 | 381,336,945           |
| Total assets  | <u>419,606,062</u>         | <u>355,420,701</u>          | <u>775,026,763</u>    |
| <b>Deferred Outflows of Resources</b>                   |                            |                             |                       |
| Deferred outflows for pensions                          | 4,895,009                  | 307,306                     | 5,202,315             |
| Total deferred outflows of resources                    | <u>4,895,009</u>           | <u>307,306</u>              | <u>5,202,315</u>      |
| <b>Liabilities and Net Position</b>                     |                            |                             |                       |
| Liabilities   |                            |                             |                       |
| Accounts payable  | 18,288,841                 | 1,218,680                   | 19,507,521            |
| Accounts payable from restricted assets                 | -                          | 25,622                      | 25,622                |
| Customer deposits payable from restricted assets        | -                          | 1,758,007                   | 1,758,007             |
| Internal balances                                       | (20,588,800)               | 20,588,800                  | -                     |
| Grant anticipation note                                 | -                          | -                           | -                     |
| Unearned revenue  | 217,451                    | 106,515                     | 323,966               |
| Noncurrent liabilities                                  |                            |                             |                       |
| Due within one year:                                    |                            |                             |                       |
| Bonds and notes   | 4,803,664                  | 883,633                     | 5,687,297             |
| Compensated absences                                    | 2,622,167                  | 108,890                     | 2,731,057             |
| Claims payable from restricted assets                   | 1,682,500                  | -                           | 1,682,500             |
| Due beyond one year:                                    |                            |                             |                       |
| Proportionate share of collective net pension liability | 95,442,769                 | 5,552,732                   | 100,995,501           |
| Bonds and notes   | 69,684,064                 | 14,461,732                  | 84,145,796            |
| Compensated absences                                    | 7,866,501                  | 326,669                     | 8,193,170             |
| Total liabilities                                       | <u>180,019,157</u>         | <u>45,031,279</u>           | <u>225,050,436</u>    |
| <b>Deferred Inflows of Resources</b>                    |                            |                             |                       |
| Deferred inflows on pension liability                   | -                          | -                           | -                     |
| Total deferred inflows of resources                     | <u>-</u>                   | <u>-</u>                    | <u>-</u>              |
| Net position  |                            |                             |                       |
| Net investment in capital assets                        | 286,626,937                | 319,278,547                 | 605,905,484           |
| Restricted for  |                            |                             |                       |
| Public safety   | 619,528                    | -                           | 619,528               |
| Debt service  | 5,035,784                  | 43,069                      | 5,078,853             |
| Capital improvements                                    | 19,430,577                 | 71,563                      | 19,502,140            |
| Endowment, expendable                                   | 33,262                     | -                           | 33,262                |
| Unrestricted  | (67,264,174)               | (8,696,451)                 | (75,960,625)          |
| Total net position                                      | <u>\$ 244,481,914</u>      | <u>\$ 310,696,728</u>       | <u>\$ 555,178,642</u> |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Statement of Activities**  
For the Fiscal Year Ended September 30, 2020

| Functions/Programs   | Program Revenues |                      |                                    | Net (Expenses) Revenues and Changes in Net Position |                         |                                |
|--|------------------|----------------------|------------------------------------|---|-------------------------|--------------------------------|
|  | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                    | Primary Government      |                                |
|  |                  |                      |                                    |   | Governmental Activities | Business-Type Activities Total |
| Governmental activities                                      |                  |                      |                                    |   |                         |                                |
| General government   | \$ 9,229,650     | \$ 1,057             | \$ 456,265                         | \$ -  | \$ (8,772,328)          | \$ - (8,772,328)               |
| Parks and recreation   | 6,670,266        | 85,183               | -                                  | 3,129,888   | (3,455,195)             | - (3,455,195)                  |
| Public safety  | 41,723,847       | 521,953              | 5,042,727                          | -   | (36,159,167)            | - (36,159,167)                 |
| Public works   | 14,556,340       | 2,375,627            | 29,990                             | 5,453,010   | (6,697,713)             | - (6,697,713)                  |
| Community development  | 5,451,408        | 6,304,438            | 302,501                            | -   | 1,155,531               | - 1,155,531                    |
| Unallocated depreciation, infrastructure                     | 3,253,629        | -                    | -                                  | -   | (3,253,629)             | - (3,253,629)                  |
| Interest and other, long-term debt                           | 2,981,649        | -                    | -                                  | -   | (2,981,649)             | - (2,981,649)                  |
| Total governmental activities                                | 83,866,789       | 9,288,258            | 5,831,483                          | 8,582,898   | (60,164,150)            | - (60,164,150)                 |
| Business-type activities                                     |                  |                      |                                    |   |                         |                                |
| Water and sewer  | 17,131,002       | 17,063,145           | -                                  | 18,253,526  | -                       | 18,185,669                     |
| Biloxi Port Fund   | 3,936,863        | 1,629,793            | -                                  | 637,664   | -                       | (1,669,406)                    |
| Point Cadet Development Corporation                          | -                | 6,600                | -                                  | -   | -                       | 6,600                          |
| Total business-type activities                               | 21,067,865       | 18,699,538           | -                                  | 18,891,190  | -                       | 16,522,863                     |
| Total primary government                                     | \$ 104,934,654   | \$ 27,987,796        | \$ 5,831,483                       | \$ 27,474,088                                       | (60,164,150)            | (43,641,287)                   |
| General revenues   |                  |                      |                                    |   |                         |                                |
| Property taxes   |                  |                      |                                    |   | 19,124,398              | 19,656,246                     |
| Sales taxes  |                  |                      |                                    |   | 11,377,396              | 11,377,396                     |
| Gaming taxes   |                  |                      |                                    |   | 16,595,123              | 16,595,123                     |
| Franchise and utility taxes                                  |                  |                      |                                    |   | 2,898,371               | 2,898,371                      |
| Other taxes  |                  |                      |                                    |   | 456,551                 | 456,551                        |
| Grants and contributions not restricted to specific programs |                  |                      |                                    |   | 6,422,986               | 6,422,986                      |
| Unrestricted investment earnings                             |                  |                      |                                    |   | 351,250                 | 468,560                        |
| Miscellaneous  |                  |                      |                                    |   | 3,642,841               | 3,642,841                      |
| Transfers  |                  |                      |                                    |   | 5,345,172               | (5,345,172)                    |
| Total general revenues and transfers                         |                  |                      |                                    |   | 66,214,088              | 61,518,074                     |
| Change in net position                                       |                  |                      |                                    |   | 6,049,938               | 17,876,787                     |
| Net position - beginning of period                           |                  |                      |                                    |   | 238,431,976             | 537,301,853                    |
| Net position - end of period                                 |                  |                      |                                    |   | \$ 244,481,914          | \$ 555,178,640                 |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Balance Sheet**  
**Governmental Funds**  
September 30, 2020

|   | General<br>Fund      | General<br>Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | 2019<br>GO Capital<br>Projects<br>Fund | Other<br>Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|--|-------------------------|--|---|--------------------------------|
| <b>Assets</b>                               |                      |  |                         |  |   |                                |
| Cash and cash equivalents                   | \$ 7,897,669         | \$ 10,297,327                          | \$ 5,752,554            | \$ -                                   | \$ 877,495                                  | \$ 24,825,045                  |
| Restricted cash & equivalents               |                      |  |                         | -                                      |   | -                              |
| Investments                                 | -                    | -                                      | -                       |  | 244,289                                     | 244,289                        |
| Restricted investments                      | -                    | -                                      | -                       | 10,544,434                             | -   | 10,544,434                     |
| Receivables:                                |                      |  |                         |  |   |                                |
| Taxes                                       | 6,099,073            | -                                      | 57,330                  | -                                      | 12,412                                      | 6,168,815                      |
| Customer accounts, net                      | 254,186              | -                                      | -                       | -                                      | -   | 254,186                        |
| Grants                                      | -                    | 1,090,239                              | -                       | -                                      | -   | 1,090,239                      |
| Other                                       | 984,529              | -                                      | 1,075,106               | -                                      | 35,859                                      | 2,095,494                      |
| Due from other City funds                   | 7,658,730            | 23,480,831                             | -                       | -                                      | -   | 31,139,561                     |
| Prepays                                     | 1,084,042            | -                                      | -                       | -                                      | -   | 1,084,042                      |
| Mortgage loans receivable                   | -                    | -                                      | -                       | -                                      | 805   | 805                            |
| Total assets                                | <u>\$ 23,978,229</u> | <u>\$ 34,868,397</u>                   | <u>\$ 6,884,990</u>     | <u>\$ 10,544,434</u>                   | <u>\$ 1,170,860</u>                         | <u>\$ 77,446,910</u>           |
| <b>Liabilities and Fund Balance</b>         |                      |  |                         |  |   |                                |
| <b>Liabilities</b>                          |                      |  |                         |  |   |                                |
| Accounts payable and<br>accrued liabilities | \$ 5,629,424         | \$ 15,053,189                          | \$ 115,876              | \$ -                                   | \$ 142,731                                  | \$ 20,941,220                  |
| Due to other City funds                     | 8,017,950            | 927,606                                | 1,733,330               | -                                      | -   | 10,678,886                     |
| Grant anticipation note                     | -                    | -                                      | -                       | -                                      | -   | -                              |
| Unearned revenue                            | 217,017              | -                                      | -                       | -                                      | -   | 217,017                        |
| Total liabilities                           | <u>13,864,391</u>    | <u>15,980,795</u>                      | <u>1,849,206</u>        | <u>-</u>                               | <u>142,731</u>                              | <u>31,837,123</u>              |
| <b>Fund Balances</b>                        |                      |  |                         |  |   |                                |
| <b>Nonspendable</b>                         |                      |  |                         |  |   |                                |
| Prepays                                     | 1,084,042            | -                                      | -                       | -                                      | -   | 1,084,042                      |
| <b>Restricted for</b>                       |                      |  |                         |  |   |                                |
| Long-term receivables                       | -                    | -                                      | -                       | -                                      | 805   | 805                            |
| Public safety                               | 619,528              | -                                      | -                       | -                                      | -   | 619,528                        |
| Claims                                      | -                    | -                                      | -                       | -                                      | 431,759                                     | 431,759                        |
| Economic development                        | 4,309,268            | -                                      | -                       | -                                      | -   | 4,309,268                      |
| Endowment                                   | -                    | -                                      | -                       | -                                      | 33,262                                      | 33,262                         |
| Maintenance                                 | -                    | -                                      | -                       | -                                      | 19,328                                      | 19,328                         |
| Capital improvements                        | -                    | -                                      | -                       | 10,544,434                             | -   | 10,544,434                     |
| <b>Committed for</b>                        |                      |  |                         |  |   |                                |
| Capital improvements                        | -                    | 18,887,602                             | -                       | -                                      | 542,975                                     | 19,430,577                     |
| Debt service                                | -                    | -                                      | 5,035,784               | -                                      | -   | 5,035,784                      |
| Unassigned                                  | 4,101,000            | -                                      | -                       | -                                      | -   | 4,101,000                      |
| Total fund balances                         | <u>10,113,838</u>    | <u>18,887,602</u>                      | <u>5,035,784</u>        | <u>10,544,434</u>                      | <u>1,028,129</u>                            | <u>45,609,787</u>              |
| Total liabilities and fund balances         | <u>\$ 23,978,229</u> | <u>\$ 34,868,397</u>                   | <u>\$ 6,884,990</u>     | <u>\$ 10,544,434</u>                   | <u>\$ 1,170,860</u>                         | <u>\$ 77,446,910</u>           |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
September 30, 2020

|   |              |                       |
|---|--------------|-----------------------|
| Total fund balances of governmental funds in the balance sheet, page 24   |              | \$ 45,609,787         |
| Amounts reported for governmental activities in the statement of net position are different because:  |              |                       |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |              | 371,689,311           |
| Internal service funds are used by management to account for the costs of the City's risk management, including insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. |              | 84,805                |
| Net pension obligation  |              | (95,442,769)          |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:  |              |                       |
| Deferred outflows of resources related to pensions  |              | 4,895,009             |
| Deferred inflows of resources related to pensions   |              | -                     |
| Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.   |              |                       |
| Long term debt  | (74,487,728) |                       |
| Compensated absences  | (7,866,501)  | (82,354,229)          |
| Net position of governmental activities, page 22  |              | <u>\$ 244,481,914</u> |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Fiscal Year Ended September 30, 2020

|  | General<br>Fund | General<br>Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | 2019<br>GO Capital<br>Projects<br>Fund | Other<br>Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|--|-------------------------|--|--|--------------------------------|
| <b>Revenues</b>                                      |                 |  |                         |  |  |                                |
| Ad valorem taxes                                     | \$ 11,106,474   | \$ -                                   | \$ 6,935,064            | \$ -                                   | \$ 1,082,860                               | \$ 19,124,398                  |
| Licenses and permits                                 | 3,863,103       | -                                      | -                       | -                                      | -  | 3,863,103                      |
| Intergovernmental                                    | 29,311,546      | 10,342,580                             | 1,479,311               | -                                      | 302,501                                    | 41,435,938                     |
| Charges for services                                 | 2,593,234       | -                                      | -                       | -                                      | -  | 2,593,234                      |
| Fines  | 506,829         | -                                      | -                       | -                                      | -  | 506,829                        |
| Other  | 8,778,351       | 37,260                                 | 47,885                  | 105,318                                | 213,163                                    | 9,181,977                      |
| Total revenues                                       | 56,159,537      | 10,379,840                             | 8,462,260               | 105,318                                | 1,598,524                                  | 76,705,479                     |
| <b>Expenditures</b>                                  |                 |  |                         |  |  |                                |
| Current  |                 |  |                         |  |  |                                |
| General government                                   | 6,906,748       | -                                      | -                       | -                                      | 4,384                                      | 6,911,132                      |
| Parks and recreation                                 | 3,756,867       | -                                      | -                       | -                                      | 33,624                                     | 3,790,491                      |
| Public safety  | 37,609,946      | -                                      | -                       | -                                      | 1,082,860                                  | 38,692,806                     |
| Public works   | 8,545,020       | -                                      | -                       | -                                      | -  | 8,545,020                      |
| Engineering  | 1,248,783       | -                                      | -                       | -                                      | -  | 1,248,783                      |
| Community development                                | 4,141,418       | -                                      | -                       | -                                      | 532,440                                    | 4,673,858                      |
| Non-departmental                                     | 2,813,284       | -                                      | -                       | -                                      | -  | 2,813,284                      |
| Debt service   |                 |  |                         |  |  |                                |
| Principal retirement                                 | 187,100         | -                                      | 5,378,761               | -                                      | -  | 5,565,861                      |
| Interest and other                                   | 155,983         | -                                      | 2,471,355               | -                                      | -  | 2,627,338                      |
| Bond issue costs                                     | -               | -                                      | -                       | -                                      | 609  | 609                            |
| Capital outlay, projects                             | -               | 12,521,003                             | -                       | -                                      | -  | 12,521,003                     |
| Total expenditures                                   | 65,365,149      | 12,521,003                             | 7,850,116               | -                                      | 1,653,917                                  | 87,390,185                     |
| Excess (deficiency) of<br>revenues over expenditures | (9,205,612)     | (2,141,163)                            | 612,144                 | 105,318                                | (55,393)                                   | (10,684,706)                   |
| <b>Other financing sources (uses)</b>                |                 |  |                         |  |  |                                |
| Issuance of notes                                    | -               | -                                      | -                       | -                                      | -  | -                              |
| Bond premium   | -               | -                                      | -                       | -                                      | -  | -                              |
| Payment to refunded bond<br>escrow agent             | -               | -                                      | -                       | -                                      | -  | -                              |
| Capital lease  | 4,250,000       | -                                      | -                       | -                                      | -  | 4,250,000                      |
| Transfers in   | (20,492)        | 9,523,133                              | 4,025                   | -                                      | (4,025)                                    | 9,502,641                      |
| Transfers out  | (227,385)       | 9,762                                  | -                       | (3,482,776)                            | (684,455)                                  | (4,384,854)                    |
| Total other financing<br>sources (uses)              | 4,002,123       | 9,532,895                              | 4,025                   | (3,482,776)                            | (688,480)                                  | 9,367,787                      |
| Net change in fund balance                           | (5,203,489)     | 7,391,732                              | 616,169                 | (3,377,458)                            | (743,873)                                  | (1,316,919)                    |
| Fund balances, beginning of year                     | 15,317,327      | 11,495,870                             | 4,419,615               | 13,921,892                             | 1,772,002                                  | 46,926,706                     |
| Fund balances, end of year                           | \$ 10,113,838   | \$ 18,887,602                          | \$ 5,035,784            | \$ 10,544,434                          | \$ 1,028,129                               | \$ 45,609,787                  |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
For the Fiscal Year Ended September 30, 2020

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

|  |    |             |
|--|----|-------------|
| Net change in fund balances of governmental funds, page 26 | \$ | (1,316,919) |
|--|----|-------------|

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

|                                 |                    |           |
|---------------------------------|--------------------|-----------|
| Expenditures for capital assets | 16,319,477         |           |
| Less current year depreciation  | <u>(9,255,785)</u> | 7,063,692 |

The issuance of long-term debt (bonds payable) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of borrowed principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which repayments exceed proceeds.

|  |                |           |
|--|----------------|-----------|
| Bond, capital lease, and loan proceeds | (4,250,000)    |           |
| Principal payments                     | 5,565,861      |           |
| Lease payments                         | <u>758,200</u> | 2,074,061 |

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

|                      |           |           |
|----------------------|-----------|-----------|
| Donated assets       | 3,249,892 |           |
| Basis of assets sold | <u>-</u>  | 3,249,892 |

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

|  |                  |             |
|--|------------------|-------------|
| Change in deferred outflows                          | 3,032,055        |             |
| Change in deferred inflows                           | 911,772          |             |
| Change in net pension obligation                     | (8,775,653)      |             |
| Change in compensated absences - due beyond one year | <u>(189,898)</u> | (5,021,724) |

Internal service funds are used by management to allocate the cost of self insuring to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

|  |            |
|--|------------|
|  | <u>936</u> |
|--|------------|

|  |    |                         |
|--|----|-------------------------|
| Change in net position of governmental activities, page 23 | \$ | <u><u>6,049,938</u></u> |
|--|----|-------------------------|

*The accompanying notes are an integral part of the financial statements.*



**City of Biloxi, Mississippi**  
**Statement of Net Position**  
**Proprietary Funds**  
September 30, 2020

|   | Business-Type Activities-Enterprise Funds |                      |                                     |                        | Governmental Activities |
|---|---|----------------------|-------------------------------------|------------------------|-------------------------|
|   | Major Funds                               |                      | Non-Major Fund                      | Total Enterprise Funds | Internal Service Funds  |
|   | Water and Sewer                           | Biloxi Port Fund     | Point Cadet Development Corporation |                        |                         |
| <b>Assets</b>                                     |   |                      |                                     |                        |                         |
| Current assets:                                   |   |                      |                                     |                        |                         |
| Cash  | \$ 4,675,305                              | \$ 4,382,473         | \$ 35,221                           | \$ 9,092,999           | \$ 1,639,615            |
| Restricted cash                                   | 1,640,057                                 | 117,950              | -                                   | 1,758,007              | -                       |
| Investments                                       | -   | 114,632              | -                                   | 114,632                | -                       |
| Receivables:                                      |   |                      |                                     |                        |                         |
| Customer accounts, net                            | 1,527,703                                 | 48,802               | -                                   | 1,576,505              | -                       |
| Customer accounts earned but not billed           | 810,812                                   | -                    | -                                   | 810,812                | -                       |
| Grants  | 6,933,105                                 | (76,393)             | -                                   | 6,856,712              | -                       |
| Other   | 30,000                                    | -                    | -                                   | 30,000                 | -                       |
| Due from other City funds                         | 886,747                                   | -                    | -                                   | 886,747                | 128,125                 |
| Supplies inventory                                | 557,120                                   | -                    | -                                   | 557,120                | -                       |
| Total current assets                              | 17,060,849                                | 4,587,464            | 35,221                              | 21,683,534             | 1,767,740               |
| Noncurrent assets:                                |   |                      |                                     |                        |                         |
| Capital assets, net of accumulated depreciation   | 297,253,896                               | 37,253,933           | 116,082                             | 334,623,911            | -                       |
| Total noncurrent assets                           | 297,253,896                               | 37,253,933           | 116,082                             | 334,623,911            | -                       |
| Total assets                                      | 314,314,745                               | 41,841,397           | 151,303                             | 356,307,445            | 1,767,740               |
| <b>Deferred Outflows of Resources</b>             |   |                      |                                     |                        |                         |
| Deferred outflows for pensions                    | 209,244                                   | 98,062               | -                                   | 307,306                | -                       |
| Total deferred outflows of resources              | 209,244                                   | 98,062               | -                                   | 307,306                | -                       |
| <b>Liabilities</b>                                |   |                      |                                     |                        |                         |
| Current liabilities:                              |   |                      |                                     |                        |                         |
| Accounts payable                                  | 1,165,197                                 | 53,484               | -                                   | 1,218,681              | -                       |
| Accounts payable from restricted assets           | 25,622                                    | -                    | -                                   | 25,622                 | -                       |
| Customer deposits payable from restricted assets  | 1,640,057                                 | 117,950              | -                                   | 1,758,007              | -                       |
| Current portion of bond and notes                 | 593,633                                   | 290,000              | -                                   | 883,633                | -                       |
| Unearned revenue                                  | 106,515                                   | -                    | -                                   | 106,515                | -                       |
| Compensated absences                              | 59,910                                    | 48,980               | -                                   | 108,890                | -                       |
| Due to other City funds                           | 15,856                                    | 21,459,691           | -                                   | 21,475,547             | -                       |
| Claims contingency payable from restricted assets | -   | -                    | -                                   | -                      | 1,682,935               |
| Total current liabilities                         | 3,606,790                                 | 21,970,105           | -                                   | 25,576,895             | 1,682,935               |
| Non-current liabilities:                          |   |                      |                                     |                        |                         |
| Notes payable, non-current                        | 8,061,732                                 | 6,400,000            | -                                   | 14,461,732             | -                       |
| Compensated absences                              | 179,730                                   | 146,939              | -                                   | 326,669                | -                       |
| Net pension liability                             | 3,374,968                                 | 2,177,764            | -                                   | 5,552,732              | -                       |
| Total non-current liabilities                     | 11,616,430                                | 8,724,703            | -                                   | 20,341,133             | -                       |
| Total liabilities                                 | 15,223,220                                | 30,694,807           | -                                   | 45,918,027             | 1,682,935               |
| <b>Deferred Inflows of Resources</b>              |   |                      |                                     |                        |                         |
| Deferred inflows for pensions                     | -   | -                    | -                                   | -                      | -                       |
| Total deferred inflows of resources               | -   | -                    | -                                   | -                      | -                       |
| <b>Net position</b>                               |   |                      |                                     |                        |                         |
| Net investment in capital assets                  | 288,598,531                               | 30,563,933           | 116,082                             | 319,278,546            | -                       |
| Restricted for capital projects                   | -   | 71,563               | -                                   | 71,563                 | -                       |
| Restricted for debt service                       | -   | 43,069               | -                                   | 43,069                 | -                       |
| Unrestricted                                      | 10,702,238                                | (19,433,913)         | 35,221                              | (8,696,454)            | 84,805                  |
| <b>Total net position</b>                         | <b>\$ 299,300,769</b>                     | <b>\$ 11,244,652</b> | <b>\$ 151,303</b>                   | <b>\$ 310,696,724</b>  | <b>\$ 84,805</b>        |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended September 30, 2020

|   | Business-Type Activities-Enterprise Funds |                        |   |                     | Governmental                 |
|---|---|------------------------|---|---------------------|------------------------------|
|   | Major Funds                               |                        | Non-Major Fund                            | Total               | Activities                   |
|   | Water<br>And<br>Sewer                     | Biloxi<br>Port<br>Fund | Point Cadet<br>Development<br>Corporation | Enterprise<br>Funds | Internal<br>Service<br>Funds |
| <b>Operating Revenues</b>                 |   |                        |   |                     |                              |
| Charges for services:                     |   |                        |   |                     |                              |
| Water sales, sewer revenues               |   |                        |   |                     |                              |
| penalties & installations, net            | \$ 16,136,281                             | \$ -                   | \$ -                                      | \$ 16,136,281       | \$ -                         |
| Keesler Air Force Base, sewer             | 721,684                                   | -                      | -   | 721,684             | -                            |
| Harbor fees and rents                     | -   | 1,580,247              | 6,600                                     | 1,586,847           | -                            |
| Insurance billings                        | -   | -                      | -   | -                   | 11,276,859                   |
| Total charges for service                 | 16,857,965                                | 1,580,247              | 6,600                                     | 18,444,812          | 11,276,859                   |
| Cobra contributions                       | -   | -                      | -   | -                   | 139,196                      |
| Other income                              | 205,180                                   | 49,293                 | -   | 254,473             | -                            |
| Total operating revenues                  | 17,063,145                                | 1,629,540              | 6,600                                     | 18,699,285          | 11,416,055                   |
| <b>Operating expenses</b>                 |   |                        |   |                     |                              |
| Personal services                         | 2,037,794                                 | 1,331,552              | -   | 3,369,346           | -                            |
| Contracted services                       | 10,981,754                                | 431,901                | -   | 11,413,655          | 11,643,440                   |
| Other services and charges                | 1,539,953                                 | 192,268                | -   | 1,732,221           | -                            |
| Depreciation                              | 2,444,491                                 | 1,743,648              | -   | 4,188,139           | -                            |
| Total operating expenses                  | 17,003,992                                | 3,699,369              | -   | 20,703,361          | 11,643,440                   |
| Operating income (loss)                   | 59,153                                    | (2,069,829)            | 6,600                                     | (2,004,076)         | (227,385)                    |
| <b>Non-operating revenues (expenses)</b>  |   |                        |   |                     |                              |
| Interest income                           | 61,685                                    | 55,625                 | -   | 117,310             | 936                          |
| Interest expense                          | (159,656)                                 | (237,243)              | -   | (396,899)           | -                            |
| Intergovernmental tax revenues            | -   | 1,656,848              | -   | 1,656,848           | -                            |
| Loss on capital assets                    | -   | -                      | -   | -                   | -                            |
| Total non-operating revenues (expenses)   | (97,971)                                  | 1,475,230              | -   | 1,377,259           | 936                          |
| Income before contributions and transfers | (38,818)                                  | (594,599)              | 6,600                                     | (626,817)           | (226,449)                    |
| Capital contributions                     | 18,253,526                                | (487,336)              | -   | 17,766,190          | -                            |
| Transfers in                              | -   | -                      | -   | -                   | 227,385                      |
| Transfers out                             | (3,683,912)                               | (1,628,614)            | -   | (5,312,526)         | -                            |
| Change in net position                    | 14,530,796                                | (2,710,549)            | 6,600                                     | 11,826,847          | 936                          |
| Net position, beginning of year           | 284,769,973                               | 13,955,201             | 144,703                                   | 298,869,877         | 83,869                       |
| Net position, end of year                 | \$ 299,300,769                            | \$ 11,244,652          | \$ 151,303                                | \$ 310,696,724      | \$ 84,805                    |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Fiscal Year Ended September 30, 2020

|   | Business-Type Activities-Enterprise Funds |                        |   |                              | Governmental                 |
|---|---|------------------------|---|------------------------------|------------------------------|
|   | Major Funds                               |                        | Non-Major Fund                            |                              | Activities                   |
|   | Water<br>And<br>Sewer                     | Biloxi<br>Port<br>Fund | Point Cadet<br>Development<br>Corporation | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| <b>Cash flows from operating activities</b>                             |   |                        |   |                              |                              |
| Receipts from customers   | \$ 16,297,892                             | \$ 2,085,392           | \$ 6,600                                  | \$ 18,389,884                | \$ -                         |
| Receipts from interfund services provided                               |   |                        |   |                              | 11,416,054                   |
| Payments to suppliers   | (11,944,053)                              | (635,391)              | -   | (12,579,444)                 | (11,806,696)                 |
| Payments for services of employees                                      | (1,649,602)                               | (1,088,929)            | -   | (2,738,531)                  | -                            |
| Net cash provided by (used in) operating activities                     | 2,704,237                                 | 361,072                | 6,600                                     | 3,071,909                    | (390,642)                    |
| <b>Cash flows from non-capital financing activities</b>                 |   |                        |   |                              |                              |
| Loans (to) from other funds   | 4,865,914                                 | -                      | -   | 4,865,914                    | (7,760)                      |
| Net cash provided by (used in) non-capital financing activities         | 4,865,914                                 | -                      | -   | 4,865,914                    | (7,760)                      |
| <b>Cash flows from capital and related financing activities</b>         |   |                        |   |                              |                              |
| Intergovernmental tax revenues  | -   | 1,656,847              | -   | 1,656,847                    | -                            |
| Grant revenues  | 18,079,196                                | 387,678                | -   | 18,466,874                   | -                            |
| Transfers (to) from other funds   | (3,683,912)                               | (1,628,614)            | -   | (5,312,526)                  | 227,385                      |
| Loans (to) from other funds   | (711,205)                                 | 3,412,353              | -   | 2,701,148                    | -                            |
| Acquisition of capital assets   | (19,743,685)                              | (3,880,532)            | -   | (23,624,217)                 | -                            |
| Loss on capital assets  | 0   | -                      | -   | -                            | -                            |
| Repayment of debt   | (578,789)                                 | (280,000)              | -   | (858,789)                    | -                            |
| Interest paid on debt   | (159,656)                                 | (237,243)              | -   | (396,899)                    | -                            |
| Net cash provided by (used in) capital and related financing activities | (6,798,051)                               | (569,511)              | -   | (7,367,562)                  | 227,385                      |
| <b>Cash flows from investing activities</b>                             |   |                        |   |                              |                              |
| Interest and dividends on investments                                   | 61,685                                    | 55,625                 | -   | 117,310                      | 936                          |
| Proceeds from investments   | -   | 13,102                 | -   | 13,102                       | -                            |
| Net cash provided by (used in) investing activities                     | 61,685                                    | 68,727                 | -   | 130,412                      | 936                          |
| Net increase (decrease) in cash and cash equivalents                    | 833,785                                   | (139,712)              | 6,600                                     | 700,673                      | (170,081)                    |
| Cash and cash equivalents, beginning of period                          | 5,448,932                                 | 4,640,135              | 28,621                                    | 10,117,688                   | 1,809,695                    |
| Cash and cash equivalents, end of period                                | \$ 6,282,717                              | \$ 4,500,423           | \$ 35,221                                 | \$ 10,818,361                | \$ 1,639,614                 |
| Classified as:  |   |                        |   |                              |                              |
| Current assets  | \$ 4,675,305                              | \$ 4,382,473           | \$ 35,221                                 | \$ 9,092,999                 | \$ 1,639,615                 |
| Restricted assets   | 1,640,057                                 | 117,950                | -   | 1,758,007                    | -                            |
| Totals  | \$ 6,315,362                              | \$ 4,500,423           | \$ 35,221                                 | \$ 10,851,006                | \$ 1,639,615                 |
| <b>Non cash</b>   |   |                        |   |                              |                              |
| Contributions of capital assets   | \$ -                                      | \$ -                   | \$ -                                      | \$ -                         | \$ -                         |
| Assets transferred to governmental funds                                | -   | -                      | -   | -                            | -                            |

Continued on next page

**City of Biloxi, Mississippi**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Fiscal Year Ended September 30, 2020  
(Continued)

|   | Business-Type Activities-Enterprise Funds |                        |   |                     | Governmental                 |
|---|---|------------------------|---|---------------------|------------------------------|
|   | Major Funds                               |                        | Non-Major Fund                            | Total               | Activities                   |
|   | Water<br>And<br>Sewer                     | Biloxi<br>Port<br>Fund | Point Cadet<br>Development<br>Corporation | Enterprise<br>Funds | Internal<br>Service<br>Funds |
| Reconciliation of operating income<br>(loss) to net cash provided by<br>(used in) operating activities: |   |                        |   |                     |                              |
| Operating income (loss)   | \$ 59,153                                 | \$ (2,069,829)         | \$ 6,600                                  | \$ (2,004,076)      | \$ (227,385)                 |
| Adjustments not affecting cash  |   |                        |   |                     |                              |
| Depreciation  | 2,444,491                                 | 1,743,648              | -   | 4,188,139           | -                            |
| Changes in assets and liabilities:  |   |                        |   |                     |                              |
| Accounts receivable   | (924,990)                                 | 450,907                | -   | (474,083)           | -                            |
| Supplies inventory  | (114,637)                                 | -                      | -   | (114,637)           | -                            |
| Deferred outflows for pensions  | (129,548)                                 | (88,824)               |   | (218,372)           |                              |
| Accounts payable and<br>accrued expenses  | 715,117                                   | (22,506)               | -   | 692,611             | (163,256)                    |
| Unearned revenue  | 50,798                                    | -                      | -   | 50,798              | -                            |
| Customer deposits   | 108,939                                   | 4,945                  | -   | 113,884             | -                            |
| Net pension liability   | 561,742                                   | 393,079                | -   | 954,821             | -                            |
| Deferred inflows for pensions   | (66,828)                                  | (50,348)               | -   | (117,176)           | -                            |
| Net cash provided by (used in)<br>operating activities  | <u>\$ 2,704,237</u>                       | <u>\$ 361,072</u>      | <u>\$ 6,600</u>                           | <u>\$ 3,071,909</u> | <u>\$ (390,641)</u>          |

*The accompanying notes are an integral part of the financial statements.*



**City of Biloxi, Mississippi**  
**Notes to Financial Statements**  
**September 30, 2020**

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**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
For the Year Ended September 30, 2020

**I. Summary of Significant Accounting Policies**

The financial statements of the City of Biloxi, Mississippi (the City) have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) applicable to governmental units. The following is a summary of the more significant accounting policies of the City:

**(A) Reporting Entity**

The City of Biloxi, Mississippi was incorporated on February 8, 1838 under the laws of the State of Mississippi. The City operates under a Mayor-Council form of government and provides the following services: public safety, (police, fire and civil defense), public works (highways, streets, and sanitation), health and social services, culture-recreation, community development, planning and zoning, and general administrative services.

The City's reporting entity applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. As required by GAAP, these financial statements present the City of Biloxi (the primary government) and its components. The component unit discussed in Note I (B) below is included in the City's reporting entity because of the significance of its operation and financial relationships with the City.

**(B) Component Unit Disclosure**

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

**(1) Blended Component Unit: Point Cadet Development Corporation**

The Point Cadet Development Corporation (PCDC), a non-profit corporation, is governed by a three member board whose president is always the current Mayor of the City of Biloxi. Although it is legally separate from the City, PCDC is reported as part of the primary government because its sole purpose is to finance, develop and manage City owned property. PCDC provides services solely to the City of Biloxi and is reported as an enterprise fund using the blending method. PCDC does not issue separate financial statements.



**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**(2) Biloxi Port Commission / Biloxi Port Fund**

Prior to 2003, the Biloxi Port Commission (Commission) provided various services, including rental of pleasure and commercial berths, industrial building rentals, maintenance and operation of various harbors, wharves, piers, and channels, etc. The Commission had going concern issues and on July 24, 2003, the City assumed all of its management responsibilities. The Commissions' assets and liabilities were completely absorbed by the City during the fiscal year ending September 2004. These assets are currently managed by the Ports and Harbor Division of the City. Separate financial statements of the Commission are no longer available as such statements are reported as an enterprise fund.

**(C) Related Organizations**

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

**(D) Joint Ventures and Jointly Governed Organizations**

Additionally, during its evaluation of potential component units, management identified one joint venture (Harrison County Utility Authority), and two jointly governed organizations (the Harrison County Library System and the Gulfport-Biloxi International Airport).

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

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

**(E) Basic Financial Statements**

**Government-Wide and Fund Financial Statements**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The government-wide financial statements, including the *statement of net position* and the *statement of activities*, report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from the statements. Internal service fund charges for services are not netted or eliminated in the consolidation process. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely extensively on fees and charges for support. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

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

**(F) Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., measurable and available to pay liabilities of the current period. *Available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recognized when the related fund liability is incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences, which are recognized when due.

Year-end accruals of ad valorem taxes, sales taxes, gaming taxes and franchise fees are based upon actual collections of amounts remitted to the City within 60 days of year end. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

Other licenses and permits, charges for services, fines and penalties, and miscellaneous revenues are recorded as revenues when they are received as they are generally not measurable until actually received; however, charges for services which are measurable are recorded as revenue in the period earned.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33 the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient.

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal operations. The principal operating revenues of the Water and Sewer fund and PCDC are charges to customers for sales and services. The City insurance funds bill the other funds to cover insurance premiums and claims. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

**(G) Fund Types and Major Funds**  
**Governmental Funds**

Governmental funds are those funds through which the City finances most of its municipal services and are accounted for on the basis of a spending measurement focus. The focus on governmental funds is on the determination of changes in financial position rather than upon net income determination. The City's governmental funds are as follows:

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**General Fund** is the City's primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in a separate fund.

**General Capital Projects Fund** is used to account for the City's capital projects. Revenues are received primarily from the General Fund.

**Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Other Non-Major Governmental Funds** is a summarization of all of the non-major governmental funds including:

**Special Revenue Funds**

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

**Capital Projects Funds**

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

**Proprietary Funds**

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. The following is a description of the Proprietary Funds of the City:

**Water and Sewer Fund** accounts for the activities of the City's water and sewer system.

**Biloxi Port Fund** accounts for the activities of the City's harbors, wharves, piers and channels.

**Non-Major Proprietary Fund** – Point Cadet Development Corporation (a blended component unit) accounts for the activities of PCDC.

**Internal Service Funds**

Like commercial enterprises, a governmental unit may decide to accept certain risk rather than insure against those risks. As part of the City's self-insurance program, Internal Service Self-Insurance Reserve Funds have been established to account for the actual cost of claims, reinsurance, and reserves. The City's Internal Service Funds administer the risk for workman's compensation, liability, automobile, casualty, and health insurance. The Internal Service Funds in turn charge the other City funds for their allocable share of these net costs.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**(H) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

**Cash and Cash Equivalents**

The City considers cash on hand, cash with fiscal agents, demand deposit, certificates of deposit and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.

**Investments**

Investments are stated at fair value.

**Accounts Receivable**

Accounts receivable are recorded in the Governmental, Business-type, and Component Unit Funds. Where appropriate, an associated allowance for doubtful accounts has been established in the related fund.

**Inventories and Prepaids**

Governmental and Proprietary Fund inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed. Prepaids consist of premiums paid on insurance policies extending beyond year end.

**Capital Assets**

Capital assets, including land, buildings, improvements other than buildings, infrastructure (i.e., roads, bridges, street lighting and other similar items) and equipment are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The City's capitalization levels are as follows: purchased assets costing more than \$1,000 are capitalized; building renovations are capitalized when their cost exceeds 25% of the building's previously capitalized cost and if the repair extends the building's estimated useful life; donated capital assets, donated works of art and similar items, as well as capital assets received in a service concession arrangement are reported at acquisition value. Assets acquired using capital lease obligations are treated in the same manner as purchased capital assets.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

|                |             |
|----------------|-------------|
| Buildings      | 40-50 years |
| Improvements   | 40-50 years |
| Infrastructure | 20-60 years |
| Equipment      | 3-15 years  |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The City has an item that meets this criterion, unamortized changes in investments actual performance, expectations, and projections, and plan assumptions related to the pension plan (see Note J).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has an item that meets this criterion, unamortized changes in plan assumptions related to the pension plan (see Note J).

**Compensated Absences**

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. For proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year.

**Post Employment Health Care Benefits**

The City does not have costs associated with post-employment benefits for retired employees.

**Interfund Transactions**

Numerous interfund transactions occur during the normal course of operations of the City. Disbursements made by one fund which are properly chargeable to another fund result in the creation of interfund receivables and payables. This type of transaction is normally settled by a cash payment between the funds. All other interfund transactions are accounted for as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide columnar presentation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Internal service fund charges for services are not netted or eliminated in the consolidation process.

**Advances to Other Funds**

Various funds have made short-term advances to other funds. These advances, shown as "Due From Other Funds", are temporary in nature, bear no interest, and are considered "available spendable resources". Long-term advances, if any, are those for which the timing of repayment is uncertain: thus, an allocable portion of fund balance would be reserved in governmental funds.

**Estimated Insurance Claims Payable**

The City is self insured for general liability, property, automobile, workers' compensation and employee health claims. The operating funds are charged premiums by the City's insurance internal service funds. The accrued liabilities for estimated claims represent an estimate of the eventual loss on claims arising prior to year-end including claims incurred and not yet reported.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Long-term Debt**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Historically, the City's bond discounts/premiums have not been material.

**Unearned Revenue**

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and it becomes available to finance expenditures of the current fiscal period.

In proprietary funds (and for governmental activities in the government-wide statements) unearned revenue is reported for unearned revenue, regardless of its availability.

**Fund Equity**

Beginning with fiscal year 2011, the City implemented, the Governmental Accounting Standards Board (GASB) approved Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (Statement). This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the related strength of spending constraints:

**Nonspendable fund balance**—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

**Restricted fund balance**—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed fund balance**—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Assigned fund balance**—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.

**Unassigned fund balance**—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions

## **II. Stewardship, Compliance and Accountability:**

### **A. Budgetary Data**

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

1. Prior to October 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Not later than September 15, the budget is legally enacted through passage of a resolution.
4. The budgetary comparisons present budget figures at the legal level of control. The City legally adopts annual budgets for all funds. The City Council formally adopts the annual budget for the general fund with revenues segregated by source (ad valorem tax, licenses and permits, intergovernmental, etc.). The general fund expenditure budget is set at the character level (current, capital outlay, debt service) for each department (function) with current expenditures further detailed at the object class level (personal services, supplies, other services and charges, and contractual services).



**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

For special revenue and debt service funds, the budgets for revenues are set up at the source level and expenditures budgets are set at the total expenditure level by fund type.

The budget for capital project funds is adopted at total fund type level with the revenue budget set at the source level and expenditures set at the total expenditure level. Proprietary fund budgets are adopted for the Water and Sewer Fund and for the Port Fund with revenues delineated at the source level (total intergovernmental revenue and total charges for services) and expenditure budgets delineated by character (current, capital outlay debt service).

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

Formal budgetary integration at the “account level” is employed by management for expenditure control purposes. Management may transfer budget between expenditure accounts within each character grouping of the expenditure accounts for each department.

The City’s budgets are adopted in accordance with state statutes and regulations of the State Auditor and not on a basis consistent with Generally Accepted Governmental Accounting Principles. The budgets for revenues are on a cash basis – revenue is recognized if actually received within the year. Budgeted expenditures are on the cash basis with allowance for encumbrances for goods and services actually received prior to year-end and liquidated (paid) within thirty days after year-end. Accounting principles applied in preparation of the budget comparison statements differ from the generally accepted accounting principles used in preparation of the fund financial statements. These differences in the principles used results in timing differences in the recognition of revenues and expenditures. Below is a reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Budget Basis to the General Fund column of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds:

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis | \$ 327,377              |
| <b>Adjustments</b>  |                         |
| To convert receivables  | ( 654,223)              |
| To convert unearned revenue   | 38,940                  |
| To convert prepaids   | 156,146                 |
| To convert liabilities  | <u>( 5,071,729)</u>     |
| Total, GAAP basis   | <u>\$ (5,203,489)</u>   |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**B. Excess Expenditures Over Appropriations in Individual Funds**

For the year ended September 30, 2020, expenditures did not exceed appropriations in any department (the legal level of budgetary control) of the general fund. Expenditures did exceed appropriations in the CDBG fund by \$60,577, the Baseball Capital Maintenance Fund by \$5,844, and the 2003 Bond Fund by \$81. These over expenditures were funded by a reduction of fund balance in the respective funds.

**C. Deficit Fund Equity**

For the year ended September 30, 2020, the CDBG fund had a deficient balance in fund equity of \$31,163.

**III. Detail Notes - All Funds**

**A. Property and Gaming Tax Revenues**

**Property Tax**

The City levies a tax on real and personal property based on the assessed value of property as compiled by the Harrison County Tax Assessor. The taxes on real and personal property attach as an enforceable lien on the property as of January 1 of each year. Taxes on real and personal property are levied by the City Council at the first regular meeting in September. Through an inter-local agreement, all of the property taxes of the City of Biloxi are collected by the Harrison County Tax Collector and remitted as tax settlements (less an appropriate collection fee) to the City on a monthly basis. Taxes for the Biloxi Public School District are also billed and collected by the county and remitted to the schools through the City.

In accordance with the Mississippi Code of 1972, as amended, the City Council may levy taxes in any amount for general revenue purposes and general improvements. However, taxes collected for any one year may not exceed one hundred and ten percent (110%) of the taxes collected for the prior assessment year. For purposes of the computation, taxes collected in the current year resulting from property added to the tax assessment roll are excluded from the computation. In addition, the City Council may levy additional taxes for specific purposes, such as culture and recreation, as authorized by law.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
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(Continued)

The tax levies for the calendar years 2020, 2019 and 2018 (taxes collected in the fiscal years ending 9/30/21, 9/30/20, and 9/30/19) are as follows:

|                                       | <u>9/30/21</u><br>Millage | <u>9/30/20</u><br>Millage | <u>9/30/19</u><br>Millage |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| <b>City Funds</b>                     |                           |                           |                           |
| General Fund                          | 19.05                     | 19.05                     | 18.76                     |
| Special revenue funds:                |                           |                           |                           |
| Disability and Relief (Pension) Funds | 2.02                      | 1.83                      | 2.12                      |
| Debt Service Funds                    | 9.01                      | 9.20                      | 9.20                      |
| Solid waste collection and disposal   | <u>0.02</u>               | <u>0.02</u>               | <u>0.02</u>               |
| Total City administered funds         | <u>30.10</u>              | <u>30.10</u>              | <u>30.10</u>              |
| <b>School Funds</b>                   |                           |                           |                           |
| District maintenance                  | 41.28                     | 41.42                     | 41.03                     |
| School debt                           | <u>2.09</u>               | <u>1.95</u>               | <u>2.34</u>               |
| Total School administered funds       | <u>43.37</u>              | <u>43.37</u>              | <u>43.37</u>              |
| <br>Total levy                        | <br><u><u>73.47</u></u>   | <br><u><u>73.47</u></u>   | <br><u><u>73.47</u></u>   |

**Gaming Revenue**

In 1992, the citizens of Harrison County voted to allow dockside casino gaming as defined by the Mississippi Gaming Control Act of 1990. In August of 1992, the first casino opened at Biloxi's Point Cadet development. As of September 30, 2020, there were eight casinos operating within the City of Biloxi. Gaming activities are taxed in a variety of ways. The State of Mississippi levies a sliding scale tax on gross gaming revenue, of which Harrison County and the City of Biloxi receive .4 to .8 percent. This tax is divided 73.4% to the County, and 26.6% to the City of Biloxi. The allocation is based upon the population demographics of the last official census. In addition to the State tax, the City of Biloxi, through local ordinance in accordance with state law, levies an additional 3.2% tax on gross gaming revenues. This tax is distributed as follows: 60% to the General Fund, (20% of which is designated for public safety); 20% to the Biloxi Public Schools; 10% to Harrison County for public safety; and 10% to Harrison County Schools. In addition to the taxes on gross gaming revenue, the State, City and County annually receive licensing fees and permits from each casino for each gaming device. The following is an analysis of the gaming revenues reported in the General Fund:

|                             |                                 |
|-----------------------------|---------------------------------|
| Local option 3.2% tax       | \$ 13,987,637                   |
| Local share of state tax    | 1,364,866                       |
| Gaming licenses and permits | <u>1,242,620</u>                |
| <br>Total gaming revenues   | <br><u><u>\$ 16,595,123</u></u> |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**B. Deposits and Investments**

The City deposits funds in financial institutions selected by the City Council in accordance with state statutes. Furthermore, the City invests excess funds in various investment instruments that are allowed by statutes. Various restrictions on deposits and investments are imposed by statutes. Deposits and investments are summarized below.

**Deposits –**

Deposits consist of cash amounts in demand accounts and certificates of deposit. The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation. By using this multiple financial institution collateral pool, all of the City's deposits at September 30, 2020 fall into the credit risk category of "*Insured or collateralized with securities held by the entity or by its agent in the entity's name*". Deposits are summarized as follows:

|                         | Reported<br><u>Amount</u> | Bank<br><u>Balance</u> |
|-------------------------|---------------------------|------------------------|
| Cash                    | \$ 36,588,556             | \$ 35,668,382          |
| Certificates of deposit | <u>450,000</u>            | <u>450,000</u>         |
| Total deposits          | <u>\$ 37,038,556</u>      | <u>\$ 36,118,382</u>   |

Cash and cash equivalents for cash flows of Proprietary Funds include all cash accounts and certificates of deposit.

**Custodial Credit Risk – Deposits**

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a formal policy for custodial credit risk. However, state law permits the Mississippi State Treasurer's office to manage that risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institutions' trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. By signed agreement the Mississippi State Treasurer's office is acting on behalf of the City.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**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. At September 30, 2020, investments consisted of the following:

|   | <u>Reported<br/>Amount</u> | <u>Fair<br/>Value</u> |
|---|----------------------------|-----------------------|
| Investments held by the City or the City's safekeeping agent, and registered in the name of the City: |                            |                       |
| Money Market Mutual Funds   | \$ <u>10,903,355</u>       | \$ <u>10,903,355</u>  |

**Interest Rate Risk.** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Most of the City's investments are in Money Market Mutual funds which have an investment maturity of less than one year. The State and local government securities also have a maturity of less than one year.

**Concentration of Credit Risk.** The City places no limit on the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in Money Market Mutual Funds.

**Credit risk.** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. All of the City's investments have been given the AAA rating.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**C. Receivables**

The Statement of Net Position of the City of Biloxi includes the following receivables at September 30, 2020:

|  |                     |
|--|---------------------|
| Taxes receivable:                                  |                     |
| Utility franchise taxes                            | \$ 741,957          |
| Sales taxes  | 1,836,001           |
| Ad valorem taxes                                   | 206,199             |
| Gaming taxes and fees                              | 3,384,659           |
| Total taxes receivable                             | <u>\$ 6,168,816</u> |
| Customer accounts receivable:                      |                     |
| Garbage fees                                       | \$ 254,186          |
| Water and sewer utility charges (billed)           | 2,481,987           |
| Port berth rentals                                 | 48,076              |
| Less allowance for doubtful accounts               | (953,557)           |
| Customer accounts receivable earned but not billed | 810,812             |
| Total customer accounts receivable, net            | <u>\$ 2,641,504</u> |
| Grants receivable:                                 |                     |
| Federal and state grants                           | <u>\$ 8,098,192</u> |
| Other receivables:                                 |                     |
| Special assessments                                | \$ 161,290          |
| Liquor privilege tax                               | 62,954              |
| Due from county for debt service                   | 1,075,106           |
| Other  | 674,902             |
| Total other receivables                            | <u>\$ 1,974,252</u> |

**D. Prepaids**

Prepaids at September 30, 2020 consist of the following:

|                            |                     |
|----------------------------|---------------------|
| Prepaid insurance premiums | <u>\$ 1,132,992</u> |
|----------------------------|---------------------|

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**E. Interfund Receivables and Payables**

| <u>Individual Interfund Balances at September 30, 2020</u>                   | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--|---------------------------------|-------------------------------|
| General Fund:  |                                 |                               |
| General Capital Projects Fund  | \$ 5,884,541                    | \$ -                          |
| Economic Development Fund  | 40,859                          | -                             |
| General Bond and Interest Debt Service Fund                                  | 1,733,330                       | -                             |
| Water and Sewer Fund   | -                               | 7,909,645                     |
| Claims contingency fund for claims and expenses                              | -                               | 108,305                       |
| Total General Fund   | <u>7,658,730</u>                | <u>8,017,950</u>              |
| General Capital Projects Fund:   |                                 |                               |
| General Fund   | 2,025,104                       | -                             |
| Economic Development Fund  |                                 | 40,859                        |
| Water and Sewer Fund for fund project costs                                  | -                               | 886,747                       |
| Biloxi Port Fund   | 21,455,727                      | -                             |
| Total General Capital Projects Fund  | <u>23,480,831</u>               | <u>927,606</u>                |
| Debt Service Fund  |                                 |                               |
| General Fund   |                                 | 1,733,330                     |
| Total Debt Service Fund  | <u>-</u>                        | <u>1,733,330</u>              |
| Enterprise Fund:   |                                 |                               |
| Water and Sewer Fund for claims and expenses                                 | -                               | 15,856                        |
| Water and Sewer Fund to General Fund   |                                 | -                             |
| Water and Sewer Fund to General Capital Projects Fund                        | 886,747                         | -                             |
| Biloxi Port Fund for claims and expenses                                     | -                               | 3,964                         |
| Biloxi Port Fund for fund project costs                                      | -                               | 21,455,727                    |
| Total Enterprise Fund  | <u>886,747</u>                  | <u>21,475,547</u>             |
| Internal Service Self-Insurance:   |                                 |                               |
| Claims Contingency Fund from General<br>Fund for claims and expenses         | 108,305                         | -                             |
| Claims Contingency Fund from Water<br>and Sewer Fund for claims and expenses | 15,856                          | -                             |
| Claims Contingency Fund from Biloxi<br>Port Fund for claims and expenses     | 3,964                           | -                             |
| Total Internal Service Self-Insurance  | <u>128,125</u>                  | <u>-</u>                      |
| Totals   | <u>\$ 32,154,433</u>            | <u>\$ 32,154,433</u>          |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The composition of interfund transfers for the year ended September 30, 2020 was as follows:

| Transfers From                     | Transfers Into |              |         |              |              |
|------------------------------------|----------------|--------------|---------|--------------|--------------|
|                                    | General        | General      | Debt    | Other        |              |
|                                    | Fund           | Capital      | Service | Nonmajor     |              |
|                                    | Fund           | Projects     | Fund    | Governmental | Total        |
|                                    | Fund           | Fund         | Fund    | Funds        |              |
| General Fund                       | \$ -           | \$ -         | \$ -    | \$ -         | \$ -         |
| General Capital Projects Fund      | (9,762)        | -            | -       | -            | (9,762)      |
| Nonmajor governmental funds        |                |              |         |              |              |
| 2000 GO Capital Projects Bond Fund | -              | -            | -       | -            | -            |
| 2003 GO Capital Projects Bond Fund | -              | -            | -       | -            | -            |
| 2012 GO Capital Projects Bond Fund | -              | 3,482,776    | -       | -            | 3,482,776    |
| 2014 GO Capital Projects Bond Fund | -              | 376,073      | -       | -            | 376,073      |
| 2017 GO Capital Projects Bond Fund | -              | 308,382      | -       | -            | 308,382      |
| 2002 TIF Cap. Proj. Bond Fund      | -              | -            | -       | -            | -            |
| Total nonmajor gov't funds         | -              | 4,167,231    | -       | -            | 4,167,231    |
| Total governmental funds           | (9,762)        | 4,167,231    | -       | -            | 4,157,469    |
| Internal service funds             |                |              |         |              |              |
| Employee Medical Claims            | (227,385)      | -            | -       | 227,385      | -            |
| Enterprise funds                   |                |              |         |              |              |
| Biloxi Port Fund                   | -              | 1,628,614    | -       | -            | 1,628,614    |
| Water and Sewer                    | -              | 3,716,558    | -       | -            | 3,716,558    |
| Total enterprise funds             | -              | 5,345,172    | -       | -            | 5,345,172    |
| Totals                             | \$ (237,147)   | \$ 9,512,403 | \$ -    | \$ 227,385   | \$ 9,502,641 |

Transfers are used to 1) move revenues from the fund with the collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.



**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**F. Capital Asset Activity**

Capital asset activity for the year ended September 30, 2020 was as follows:

|  | Balance<br>October 1,<br>2019 | Increases             | Decreases            | Balance<br>September 30,<br>2020 |
|--|-------------------------------|-----------------------|----------------------|----------------------------------|
| <b>Governmental activities</b>             |                               |                       |                      |                                  |
| Capital assets, not being depreciated:     |                               |                       |                      |                                  |
| Land                                       | \$ 45,677,308                 | \$ 335,744            | \$ -                 | \$ 46,013,052                    |
| Construction in progress                   | 65,817,120                    | 9,458,183             | 195,373              | 75,079,930                       |
| Total capital assets not being depreciated | <u>111,494,428</u>            | <u>9,793,927</u>      | <u>195,373</u>       | <u>121,092,982</u>               |
| Capital assets being depreciated           |                               |                       |                      |                                  |
| Buildings                                  | 133,357,282                   | 4,250,000             | 646,982              | 136,960,300                      |
| Improvements other than buildings          | 26,165,636                    | 12,486                | 26,227               | 26,151,895                       |
| Machinery and equipment                    | 41,257,730                    | 2,093,654             | 1,400,466            | 41,950,918                       |
| Infrastructure - streets and drainage      | 186,937,687                   | 3,097,035             | -                    | 190,034,722                      |
| Total capital assets being depreciated     | <u>387,718,335</u>            | <u>9,453,175</u>      | <u>2,073,675</u>     | <u>395,097,835</u>               |
| Less accumulated depreciation for:         |                               |                       |                      |                                  |
| Buildings                                  | 24,994,468                    | 3,138,996             | 125,551              | 28,007,913                       |
| Improvements other than buildings          | 9,617,376                     | 1,150,283             | 13,741               | 10,753,918                       |
| Machinery and equipment                    | 33,194,707                    | 1,712,877             | 1,420,744            | 33,486,840                       |
| Infrastructure - streets and drainage      | 69,029,418                    | 3,253,629             | -                    | 72,283,047                       |
| Total accumulated depreciation             | <u>136,835,969</u>            | <u>9,255,785</u>      | <u>1,560,036</u>     | <u>144,531,718</u>               |
| Net capital assets being depreciated       | <u>250,882,366</u>            | <u>197,390</u>        | <u>513,639</u>       | <u>250,566,117</u>               |
| Net governmental activities assets         | <u>\$ 362,376,794</u>         | <u>\$ 9,991,317</u>   | <u>\$ 709,012</u>    | <u>\$ 371,659,099</u>            |
| <b>Business-type activities</b>            |                               |                       |                      |                                  |
| Capital assets, not being depreciated:     |                               |                       |                      |                                  |
| Land                                       | \$ 829,243                    | \$ -                  | \$ -                 | \$ 829,243                       |
| Construction in progress                   | 226,365,313                   | 19,845,602            | 43,187,075           | 203,023,840                      |
| Total capital assets not being depreciated | <u>227,194,556</u>            | <u>19,845,602</u>     | <u>43,187,075</u>    | <u>203,853,083</u>               |
| Capital assets being depreciated:          |                               |                       |                      |                                  |
| Equipment                                  | 5,754,009                     | 43,466,705            | 43,176,833           | 6,043,881                        |
| Water and sewer system                     | 106,827,212                   | 44,502,424            | -                    | 151,329,636                      |
| Port buildings & improvements              | 51,141,456                    | 11,418                | -                    | 51,152,874                       |
| Total capital assets being depreciated     | <u>163,722,677</u>            | <u>87,980,547</u>     | <u>43,176,833</u>    | <u>208,526,391</u>               |
| Less accumulated depreciation for:         |                               |                       |                      |                                  |
| Equipment                                  | 3,456,593                     | 212,556               | 1,176                | 3,667,973                        |
| Water and sewer system                     | 51,801,872                    | 2,245,664             | -                    | 54,047,536                       |
| Port buildings and improvements            | 18,310,135                    | 1,729,919             | -                    | 20,040,054                       |
| Total accumulated depreciation             | <u>73,568,600</u>             | <u>4,188,139</u>      | <u>1,176</u>         | <u>77,755,563</u>                |
| Net capital assets being depreciated       | <u>90,154,077</u>             | <u>83,792,408</u>     | <u>43,175,657</u>    | <u>130,770,828</u>               |
| Net business-type activities assets        | <u>\$ 317,348,633</u>         | <u>\$ 103,638,010</u> | <u>\$ 86,362,732</u> | <u>\$ 334,623,911</u>            |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

|   |                      |
|---|----------------------|
| Governmental activities                               |                      |
| General government                                    | \$ 1,167,226         |
| Community development                                 | 421,446              |
| Cultural affairs                                      | 803,103              |
| Parks and recreation                                  | 1,551,256            |
| Public safety   | 1,827,436            |
| Public works  | 176,053              |
| Engineering   | 0                    |
| Infrastructure  | 3,309,265            |
| Total depreciation expense - governmental activities  | <u>\$ 9,255,785</u>  |
| Business type activities                              |                      |
| Water and sewer                                       | \$ 2,444,491         |
| Port Fund   | 1,743,648            |
| Total depreciation expense - business-type activities | <u>\$ 4,188,139</u>  |
| Total Depreciation Expense                            | <u>\$ 13,443,924</u> |

**Leased assets**

The City is the lessor of certain real property in both its governmental and enterprise funds. The following is a summary of this leased property:

|                          | Governmental<br>Activities | Business-<br>Type<br>Activities | Total               |
|--------------------------|----------------------------|---------------------------------|---------------------|
| Cost                     | \$ 7,607,791               | \$ 281,642                      | \$ 7,889,433        |
| Accumulated depreciation | (369,483)                  | (210,080)                       | (579,563)           |
| Carrying amount          | <u>\$ 7,238,308</u>        | <u>\$ 71,562</u>                | <u>\$ 7,309,870</u> |
| Depreciation expense     | <u>\$ 110,489</u>          | <u>\$ 11,450</u>                | <u>\$ 121,939</u>   |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**G. Short-Term Debt**

The schedule below details the changes in short-term borrowings during the year ended September 30, 2020 for governmental activities:

|                                     | Original<br>Issue | Interest<br>Rate | Balance<br>October 1,<br>2019 | Issues      | Redemptions         | Balance<br>September 30,<br>2020 |
|-------------------------------------|-------------------|------------------|-------------------------------|-------------|---------------------|----------------------------------|
| <b>Governmental activities:</b>     |                   |                  |                               |             |                     |                                  |
| Grant Anticipation Note             | 02/21/17          | 4.31%            | \$ 2,751,071                  | \$ -        | \$ 2,751,071        | \$ -                             |
| Total short-term capital borrowings |                   |                  | <u>\$ 2,751,071</u>           | <u>\$ -</u> | <u>\$ 2,751,071</u> | <u>\$ -</u>                      |

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was anticipation receipt of grant funds. The amounts issued for governmental activities are accounted for in the capital projects fund.

**H. Leases**

**Capital Leases**

During the fiscal year ended September 30, 2016 the City entered into a capital lease with The First to finance a truck mounted pothole patcher and a multi-conductor CCTV inspection system. The amount financed was \$281,642 at the fixed, simple interest rate of 2.04% for five years. However, the truck mounted pothole patcher was not acquired and a principal payment of \$167,142 was made to The First. Title to the CCTV inspection system is held in the name of The First as lien holder. The lease terms include a non-appropriation clause; however, the possibility of non-appropriation is remote. The lease does not include any contingent or purchase option payments or penalties. There are no restrictions on the City's use of the multi-conductor CCTV inspection system and the City insures the system. The City has accounted for the lease as a financing arrangement.

During the fiscal year ended September 30, 2016 the City entered into a capital lease with Hancock Bank to finance an energy performance project. The amount financed was \$1,984,837 at the fixed, simple interest rate of 2.29% for eleven years. Title to the equipment is held in the name of the City and Hancock Bank as lien holder. The lease terms include a non-appropriation clause; however, the possibility of non-appropriation is remote. The lease does not include any contingent or purchase option payments or penalties. There are no restrictions on the City's use of the energy efficient and conservation equipment and the City insures the equipment. The City has accounted for the lease as a financing arrangement.

During the fiscal year ended September 30, 2017 the City entered into a capital lease with Key Government Finance, Inc. to finance equipment. The amount financed was \$733,435 at the fixed, simple interest rate of 2.29% for three years. Title to the equipment is held in the name of the City and Key Government Finance, Inc. as lien holder. The lease terms include a non-

**City of Biloxi, Mississippi**  
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(Continued)

appropriation clause; however, the possibility of non-appropriation is remote. The lease does not include any contingent or purchase option payments or penalties. There are no restrictions on the City's use of the equipment and the City insures the equipment. The City has accounted for the lease as a financing arrangement.

During the fiscal year ended September 30, 2018 the City entered into a capital lease with BancLeasing LLC to finance a fire boat, air truck, and floating dock. The amount financed was \$589,119 at the fixed, simple interest rate of 3.40% for five years. Title to the equipment is held in the name of the City and BancLeasing LLC as lien holder. The lease terms include a non-appropriation clause; however, the possibility of non-appropriation is remote. The lease does not include any contingent or purchase option payments or penalties. There are no restrictions on the City's use of the fire boat, air truck, or floating dock and the City insures the equipment. The City has accounted for the lease as a financing arrangement.

During the fiscal year ended September 30, 2018 the City entered into a ground and capital lease with Regions Equipment Finance Corporation and Southern Mississippi Investment Company, Inc. to acquire, construct, finance, equip and lease a fire station. The amount financed was \$4,250,000 at the fixed, simple interest rate of 3.63% for fifteen years. Title to the equipment is held in the name of the City and Regions Equipment Finance Corporation as lien holder. The lease terms include a non-appropriation clause; however, the possibility of non-appropriation is remote. The lease does include a purchase option. There are no restrictions on the City's use of the land or fire station and the City insures the equipment. The City has accounted for the lease as a financing arrangement.

The City will make the following lease payments of principal and interest:

| Fiscal Year<br>Ended<br>September 30, | Principal  | Interest   | Total      |
|---------------------------------------|------------|------------|------------|
| 2021                                  | \$ 548,397 | \$ 180,193 | \$ 728,590 |
| 2022                                  | 564,694    | 163,896    | 728,590    |
| 2023                                  | 581,500    | 147,090    | 728,590    |
| 2024                                  | 465,186    | 129,758    | 594,944    |
| 2025                                  | 479,353    | 115,591    | 594,944    |
| 2026 & Beyond                         | 2,975,422  | 444,893    | 3,420,315  |

Assets acquired through capital leases are:

| Asset                       | Governmental<br>Activities | Business<br>Type<br>Activities |
|-----------------------------|----------------------------|--------------------------------|
| Pothole patcher             | \$ -                       | \$ 281,642                     |
| Fire Station                | 4,250,000                  |                                |
| Energy performance          | 1,984,837                  | -                              |
| Phone system & email server | 733,435                    | -                              |
| Police equipment            | 50,400                     |                                |
| Fire equipment              | 589,119                    | -                              |
| Total                       | <u>\$ 7,607,791</u>        | <u>\$ 281,642</u>              |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

Future minimum lease payments and the net present value of the lease payments are:

| <u>Year Ended September 30,</u>          | <u>Governmental<br/>Activities</u> | <u>Business<br/>Type<br/>Activities</u> |
|--|------------------------------------|---|
| 2021                                     | \$ 728,590                         | \$ -                                    |
| 2022                                     | 728,590                            | -                                       |
| 2023                                     | 728,590                            | -                                       |
| 2024                                     | 594,944                            | -                                       |
| 2025                                     | 594,944                            | -                                       |
| 2026 & Beyond                            | 3,420,315                          | -                                       |
| Total minimum lease payments             | 6,795,973                          | -                                       |
| <b>Less</b> amount representing interest | (1,181,421)                        | -                                       |
| Present value of minimum lease payments  | <u>\$ 5,614,552</u>                | <u>\$ -</u>                             |

## **I. Long-Term Debt**

### **Debt Refunding**

The City of Biloxi issued General Obligation Taxable Refunding Bonds, Series 2020, in the amount of \$8,662,000 on June 8, 2020. The refunding bond was issued to raise money for the purposes of advance refunding of certain maturities of the City's outstanding Taxable General Obligation Bond, Series 2014, dated January 24, 2014, issued in the original principal amount of \$14,000,000 which is callable on January 1, 2021, in order to reduce debt service requirements. The new bond bears interest of 1.95% and is due in annual installments ranging from \$89,000 to \$1,120,000 through January 1, 2029. The refunding decreased the City's total debt service payments by approximately \$419,205.

The City of Biloxi also issued General Obligation Taxable Refunding Bonds, Series 2020A, in the amount of \$16,206,000 on June 8, 2020. The refunding bond was issued to raise money for the purposes of advance refunding of some or all maturities of the City's outstanding Taxable General Obligation Bond, Series 2014 (Stadium Project), dated February 24, 2014, issued in the original principal amount of \$21,000,000 which is callable on March 1, 2023, in order to reduce debt service requirements. The new bond bears interest from 1.95% to 2.25% and is due in annual installments ranging from \$250,000 to \$1,554,000 through March 1, 2034. The refunding decreased the City's total debt service payments by approximately \$1,027,236.

Compensated absences presented in the following debt schedule are liquidated from the governmental funds. The General Fund is used to liquidate these liabilities as they are paid.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The following is a summary of bond and other long-term debt transactions of the City for the year ended September 30, 2020:

|   | Beginning<br>10/01/19 | Additions            | Deletions            | Ending<br>9/30/20    | Amounts<br>Due Within<br>One Year |
|---|-----------------------|----------------------|----------------------|----------------------|-----------------------------------|
| <b>Governmental activities</b>                    |                       |                      |                      |                      |                                   |
| General Obligation Bonds and Notes                | \$ 53,200,000         | \$ 24,868,000        | \$ 29,440,000        | \$ 48,628,000        | \$ 2,044,000                      |
| Limited Obligation Bonds                          | 22,200,470            | -                    | 1,955,294            | 20,245,176           | 2,076,504                         |
| Capital leases                                    | 2,122,752             | 4,250,000            | 758,200              | 5,614,552            | 683,160                           |
| Compensated absences                              | 10,235,470            | 1,897,323            | 1,644,125            | 10,488,668           | 2,622,167                         |
| Total governmental activities                     | <u>\$ 87,758,692</u>  | <u>\$ 31,015,323</u> | <u>\$ 33,797,619</u> | <u>\$ 84,976,396</u> | <u>\$ 7,425,831</u>               |
| <b>Business-type activities</b>                   |                       |                      |                      |                      |                                   |
| Water and Sewer, pollution control loans          | \$ 8,414,748          | \$ -                 | \$ 524,827           | \$ 7,889,921         | \$ 509,983                        |
| Water and Sewer, drinking water improvement loans | 819,406               | -                    | 53,962               | 765,444              | 55,024                            |
| Limited tax port bonds                            | 6,970,000             | -                    | 280,000              | 6,690,000            | 290,000                           |
| Compensated absences                              | 424,016               | 155,717              | 144,175              | 435,558              | 108,890                           |
| Total business-type activities                    | <u>\$ 16,628,170</u>  | <u>\$ 155,717</u>    | <u>\$ 1,002,964</u>  | <u>\$ 15,780,923</u> | <u>\$ 963,897</u>                 |

Bonds, notes, and other long-term debt payable at September 30, 2020 are comprised of the following individual issues:

|   | Original<br>Issue | Range of<br>Interest Rates | Amount<br>Outstanding<br>9/30/20 |
|---|-------------------|----------------------------|----------------------------------|
| <b>Governmental Activities</b>  |                   |                            |                                  |
| General Obligation Bonds and Notes:   |                   |                            |                                  |
| General Obligation Bonds series 2011 due in annual installments of \$380,000 to \$1,240,000 through 12/1/2022 | \$ 9,350,000      | 2.50%-2.625%               | \$ 1,190,000                     |
| General Obligation Bonds, series 2012, due in annual installments of \$355,000 to \$505,000 through 4/1/2027  | 6,000,000         | 2.00%-2.40%                | 3,190,000                        |
| General Obligation Bonds, series 2017, due in annual installments of \$365,000 to \$585,000 through 3/1/2032  | 7,000,000         | 5.00%                      | 5,870,000                        |
| General Obligation Bonds, series 2019, due in annual installments of \$490,000 to \$980,000 through 9/1/2039  | 14,000,000        | 3.00%-4.00%                | 13,510,000                       |
| General Obligation Bonds, series 2020, due in annual installments of \$989,000 to \$ through 10/1/2029        | 8,662,000         | 1.95%                      | 8,662,000                        |
| General Obligation Bonds, series 2020A, due in annual installments of \$1,155,000 to \$ through 3/13/2034     | 16,206,000        | 1.95 -2.25%                | 16,206,000                       |
| Total General Obligation Bonds and Notes  |                   |                            | <u>\$ 48,628,000</u>             |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

|   | Original<br>Issue | Range of<br>Interest Rates | Amount<br>Outstanding<br>9/30/20 |
|---|-------------------|----------------------------|----------------------------------|
| <b>Limited Obligation Bonds and Notes:</b>  |                   |                            |                                  |
| Tax Increment Junior Lien Limited Obligation Bonds,<br>series 2014, due in annual installments of \$130,000 to<br>\$145,000 through 4/15/2029     | 1,995,000         | 4.07%                      | 1,660,646                        |
| Tax Increment Limited Obligation Refunding Bonds,<br>series 2016 A, due in annual installments of<br>\$1,350,000 to \$2,410,000 through 11/1/2027 | 21,020,000        | 2.00-5.00%                 | 16,410,000                       |
| Tax Increment Limited Obligation Refunding Bonds,<br>series 2017, due in annual installments of<br>\$70,959 to \$115,585 through 4/1/2029         | 1,081,400         | 5.00%                      | 862,600                          |
| Tax Increment Limited Obligation Bonds,<br>series 2019, due in annual installments of<br>\$165,211 to \$194,480 through 4/1/2029                  | 1,418,600         | 6.19%                      | 1,311,930                        |
| Total Limited Obligation Bonds and Notes  |                   |                            | <u>20,245,176</u>                |
| <b>Other General Long-Term Debt:</b>  |                   |                            |                                  |
| BanLeasing, LLC capital lease, amortized in<br>annual installments of \$126,296 through 9/30/2023   | 589,119           | 3.40%                      | 357,682                          |
| Hancock Bank capital lease, amortized in<br>annual installments of \$111,603 through 9/30/2027  | 1,984,837         | 2.29%                      | 1,436,078                        |
| AXON Enterprise, Inc. lease, amortized in<br>annual installments of \$2,800 through 12/1/2022   | 14,000            |                            | 8,400                            |
| Metrix Solutions lease, amortized in<br>annual installments of \$4,680 through 1/1/2023   | 36,400            |                            | 13,650                           |
| Lease/Purchase, Fire Station  | 4,250,000         | 3.63%                      | 3,798,742                        |
| Total Other General Long-Term Debt  |                   |                            | <u>5,614,552</u>                 |
| Compensated absences  |                   |                            | <u>10,488,668</u>                |
| Total governmental long-term debt   |                   |                            | <u>\$ 84,976,396</u>             |
| <b>Business Type Activities</b>   |                   |                            |                                  |
| <b>Water and Sewer Fund</b>   |                   |                            |                                  |
| State of Mississippi Pollution Control Loans,<br>due in varying installments through 7/1/2037   | 11,482,697        | 1.75%-4.50%                | \$ 7,889,921                     |
| State of Mississippi Drinking Water Improvement Loans,<br>due in varying installments of \$5,788 through 2/15/2033                                | 1,133,861         | 1.95%                      | 765,444                          |
| <b>Biloxi Port Fund</b>   |                   |                            |                                  |
| Limited Tax Port Bonds, series A&B due in annual<br>installments of \$260,000 to \$520,000 through 8/1/2037                                       | 7,500,000         | 3.00-4.00%                 | 6,690,000                        |
| Total business-type activities bonds and notes  |                   |                            | <u>15,345,365</u>                |
| Compensated absences  |                   |                            | <u>435,558</u>                   |
| Total business-type activities long-term debt   |                   |                            | <u>\$ 15,780,923</u>             |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The annual requirements to pay principal and interest on the bonds, notes and loans outstanding at September 30, 2020 follow and include interest on the variable rate debt.

| Year Ended<br>September 30, | Governmental Activities |                      |                      |                     | Business-Type Activities              |                     |
|-----------------------------|-------------------------|----------------------|----------------------|---------------------|---------------------------------------|---------------------|
|                             | General Obligation      |                      | Limited Obligation   |                     | Port Bonds & Water<br>and Sewer Notes |                     |
|                             | Principal               | Interest             | Principal            | Interest            | Principal                             | Interest            |
| 2021                        | \$ 2,044,000            | \$ 1,275,761         | \$ 2,076,504         | \$ 923,994          | \$ 855,007                            | \$ 372,351          |
| 2022                        | 3,026,000               | 1,214,438            | 2,157,428            | 836,173             | 824,921                               | 353,386             |
| 2023                        | 3,098,000               | 1,141,706            | 2,248,981            | 735,372             | 844,295                               | 334,512             |
| 2024                        | 3,777,000               | 1,059,060            | 2,356,199            | 620,377             | 868,837                               | 312,570             |
| 2025                        | 3,862,000               | 967,027              | 2,454,124            | 499,801             | 888,550                               | 289,857             |
| 2026-2030                   | 18,056,000              | 3,410,092            | 8,951,940            | 742,964             | 4,789,625                             | 1,129,059           |
| 2031-2035                   | 11,065,000              | 1,415,039            | -                    | -                   | 4,737,828                             | 616,471             |
| 2036-2040                   | 3,700,000               | 292,650              | -                    | -                   | 1,536,302                             | 60,793              |
| Totals                      | <u>\$ 48,628,000</u>    | <u>\$ 10,775,773</u> | <u>\$ 20,245,176</u> | <u>\$ 4,358,681</u> | <u>\$ 15,345,365</u>                  | <u>\$ 3,468,999</u> |

The City's legal debt limit for general obligation bonds is as follows:

|   |                       |
|---|-----------------------|
| Assessed valuations 2019 (inside the City):       |                       |
| Real property                                     | \$ 469,807,071        |
| Personal property                                 | 74,655,876            |
| Public utility                                    | 39,659,096            |
| Autos and mobile homes, estimated                 | 64,187,495            |
| Total assessed valuations                         | <u>\$ 648,309,538</u> |
| Fifteen percent (15%) of total assessed valuation | \$ 97,246,431         |
| <b>Less</b> outstanding general issues at 9/30/20 | <u>48,628,000</u>     |
| Legal debt margin                                 | <u>\$ 48,618,431</u>  |

The City Council annually adopts a resolution providing for the amount of property tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City. The millage rate for the year ended September 30, 2020, was 9.20 mills or \$9.20 per \$1,000 of assessed value.

Other general long-term debt of the Enterprise Funds is \$7,889,921 of pollution control/state revolving loans and drinking water improvement loans from the State of Mississippi. The State Tax Commission, in accordance with a signed agreement with the City of Biloxi is currently deducting \$30,310 each month from the sales tax remittances to the City to apply as payments on these loans.



**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**J. Retirement Plans**

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

**1. Firemen's and Policemen's Disability and Relief Plan and Employee's Disability and Relief Plan**

All firemen and policemen hired prior to March 1, 1976, are covered by the Firemen's and Policemen's Disability and Relief Plan. All other City employees employed prior to February 5, 1975, are covered by the Employees' Disability and Relief Plan. Both the Firemen's and the Policemen's Disability and Relief Plan and the Employee's Disability and Relief Plan are agent multiple-employer defined benefit pension plan administered by the Public Employees Retirement System of Mississippi.

**Plan Description**

Under the provisions of Chapter No. 511 of the General Laws of the State of Mississippi, 1987, effective October 1, 1987, the administrative responsibility for these retirement systems was assigned to the Mississippi Municipal Retirement System, a program of the Public Employees' Retirement System of Mississippi. The City has no control over the administration of the plans. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained from its website, [www.pers.ms.gov](http://www.pers.ms.gov), by writing to Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601)359-3589 or 800-444-PERS.

**Contributions**

The City is authorized by law to require membership contributions from 1% to a maximum of 10% of the total compensation of each participating employee. City employee contributions are 9%. Based upon annual actuarial data provided by PERS, the City levies a tax millage sufficient to fund the current obligations for retirement payments and also provide the recommended amount to reduce the balance of the unfunded employer liability. For the year ended September 30, 2020 the combined millage was 1.83 mills. The City is required by statute to set a tax levy sufficient to fund the annual required contribution. The plan administrator, The Mississippi Municipal Retirement System, provides actuarial data for the two plans combined. The City's contributions to PERS for the years ended September 30, 2020, 2019, and 2018 were \$1,088,549, \$1,330,235, and \$1,322,827. The employer contributions were made in accordance with contribution requirements determined by an actuarial valuation of the system as of June 30, 2020. The City accounts for these closed plans as a single, agent multiple-employer defined benefit plan.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

Current membership in the City's Mississippi Municipal Retirement System is composed of the following:

|                            |                  |
|----------------------------|------------------|
| Active members             | -                |
| Retirees and beneficiaries | <u>79</u>        |
| Total                      | <u><u>79</u></u> |

**Benefits Provided**

Participating employees who retire, regardless of age, with at least 20 years of credited service are entitled to an annual retirement allowance, payable monthly in an amount equal to 50% of their average monthly compensation plus an additional 1.7% for each year of credited service in excess of 20 years with a maximum of 66 2/3% of average monthly compensation. Average monthly compensation is the average for the last 6 months of service. Certain death and disability benefits are also provided by these plans which are governed by State statute and City ordinances.

**Net Pension Liability**

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability: (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plan. The City's net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Net Pension Liability**

|                         |                             |
|-------------------------|-----------------------------|
| Measurement date        | June 30, 2020               |
| Total Pension Liability | \$ 19,440,227               |
| Fiduciary Net Pension   | <u>7,993,211</u>            |
| Net Pension Liability   | <u><u>\$ 11,447,016</u></u> |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Schedule of Changes in Net Pension Liability**

The change in net pension liability, for the Disability and Relief municipal pension plan, for the fiscal year ended September 30, 2020 is as follows:

|  | <b>Total Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
|--|--|--|--|
| <b>Change in Net Pension Liability</b>                           |  |  |  |
| Service cost   | \$ -                                   | \$ -   | \$ -   |
| Interest   | 1,425,762                              | -  | 1,425,762                                      |
| Changes in benefit terms   | 2,088,404                              | -  | 2,088,404                                      |
| Differences between expected and<br>actual experience            | -                                      | -  | -  |
|  | (1,414,070)                            | -  | (1,414,070)                                    |
| Changes of assumptions   | -                                      |  | -  |
| Contributions-employer   | -                                      | 1,181,694                                      | (1,181,694)                                    |
| Contributions-employee   | -                                      | -  | -  |
| Net investment income  | -                                      | 245,514  | (245,514)                                      |
| Benefit payments, including refunds of<br>employee contributions | -                                      | -  | -  |
|  | (2,113,609)                            | (2,113,609)                                    | -  |
| Administrative expense   |  | (23,634)                                       | 23,634   |
| Other changes  | -                                      | -  | -  |
| Net change   | (13,513)                               | (710,035)                                      | 696,522  |
| Net Pension Liability Beginning                                  | 19,453,740                             | 8,703,246                                      | 10,750,494                                     |
| Net Pension Liability Ending                                     | <u>\$ 19,440,227</u>                   | <u>\$ 7,993,211</u>                            | <u>\$ 11,447,016</u>                           |

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources and deferred inflows of resources by source reported by the City at September 30, 2020 for the Disability and Relief Municipal plan are as follows:

|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Difference between expected<br>and actual experience                      | \$ -                                      | \$ -                                     |
| Changes of assumptions  | -   | -  |
| Net difference between<br>projected and actual<br>earnings on investments | 245,772                                   | -  |
|   | <u>\$ 245,772</u>                         | <u>\$ -</u>                              |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension at September 30, 2020 will be recognized in pension expenses as follows:

| Year ended September 30 | Amount            |
|-------------------------|-------------------|
| 2021                    | \$ (15,852)       |
| 2022                    | 88,945            |
| 2023                    | 94,287            |
| 2024                    | 78,392            |
|                         | <u>\$ 245,772</u> |

**Actuarial assumptions**

*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 and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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. 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 net pension liability to changes in the discount rate* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, 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 1-percentage-point-lower (6.75%) or 1-percentage-point higher (8.75%) than current rate:

|                                      | 1% Decrease<br>(6.75%) | Current<br>Discount Rate<br>(7.75%) | 1% Increase<br>(8.75%) |
|--------------------------------------|------------------------|-------------------------------------|------------------------|
| Plan's net pension liability (asset) | <u>\$ 13,003,219</u>   | <u>\$ 11,447,016</u>                | <u>\$ 10,092,693</u>   |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
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(Continued)

Actuarially determined contribution rates are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are reported. Contributions for the year ending September 30, 2020 were based on the June 30, 2018 actuarial valuation:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Ultimate Asset Reserve   |
| Amortization method           | N/A  |
| Remaining amortization period | N/A  |
| Asset valuation method        | Market Value of Assets   |
| Actuarial assumptions:        |  |
| Investment rate of return*    | 6.50%, net of pension plan investment expense, including inflation |
| Projected salary increases    | 3.25% - 4.75%, including inflation                                 |
| Inflation                     | 3.00%  |

## **2. Public Employees' Retirement System**

All full-time City employees hired after June 30, 1987, participate in the Public Employees' Retirement System of Mississippi (PERS). Other City employees hired prior to July 1, 1987 may elect to participate in the retirement system under an option offered by PERS.

### **Plan Description**

The City of Biloxi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions 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 from its website, [www.pers.ms.gov](http://www.pers.ms.gov), by writing to Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601)359-3589 or 800-444-PERS.

### **Funding Policy**

The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. PERS' members are required to contribute 9.00% of their annual covered salary and City of Biloxi is required to contribute at an actuarially determined rate. For the periods ending September 30, 2020, 2019, and 2018, the City's contribution rates were 17.4%, 17.4%, and 15.75% of annual covered payroll, respectively. The City of Biloxi's contributions to PERS for the years ending September 30, 2020, 2019, and 2018 were \$5,356,517, \$4,845,476, and \$4,640,432, respectively. These amounts were 100% of the required contributions.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Benefits provided**

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below age 65, whichever is less. Average compensation is the average of the employee's earnings during the 4 highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits as well as annual COLA adjustments. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

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

At September 30, 2020, the City reported a liability of \$95,442,769 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.462572%, which was an increase of 0.002764% from its proportion measured as of June 30, 2019.

**Net Pension Liability**

| Measurement date        | June 30, 2020        |
|-------------------------|----------------------|
| Total Pension Liability | \$ 218,270,297       |
| Fiduciary Net Pension   | 128,721,733          |
| Net Pension Liability   | <u>\$ 89,548,564</u> |

For the year ended September 30, 2020, the City recognized pension expense of \$10,525,706. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Governmental Activities**

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected<br>and actual experience                      | \$ 729,100                                | \$ -                                     |
| Changes of assumptions  | 469,880                                   | -  |
| Net difference between<br>projected and actual<br>earnings on investments | 3,450,257                                 | -  |
| City contributions subsequent<br>to the measurement date                  | -   | -  |
|   | <u>\$ 4,649,237</u>                       | <u>\$ -</u>                              |

**Business-type Activities**

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected<br>and actual experience                      | \$ 48,192                                 | \$ -                                     |
| Changes of assumptions  | 31,058                                    | -  |
| Net difference between<br>projected and actual<br>earnings on investments | 228,055                                   | -  |
| City contributions subsequent<br>to the measurement date                  | -   | -  |
|   | <u>\$ 307,305</u>                         | <u>\$ -</u>                              |

Amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended September 30 | Amount              |
|-------------------------|---------------------|
| 2021                    | \$ 316,520          |
| 2022                    | 1,710,744           |
| 2023                    | 1,743,994           |
| 2024                    | 1,185,285           |
| Total                   | <u>\$ 4,956,543</u> |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Actuarial assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.75%  |
| Salary increases          | 3.00-18.25%, including inflation                                   |
| Investment rate of return | 7.75%, net of pension plan investment expense, including inflation |

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

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

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

| <b>Asset class</b>   | <b>Target allocation</b> | <b>Long-term expected real rate of return</b> |
|----------------------|--------------------------|---|
| Domestic Equity      | 27%                      | 4.90%   |
| International Equity | 22%                      | 4.75%   |
| Global Equity        | 12%                      | 5.00%   |
| Fixed Income         | 20%                      | 0.50%   |
| Real Estate          | 10%                      | 4.00%   |
| Private Equity       | 8%                       | 6.25%   |
| Cash                 | 1%                       | 0.00%   |
|                      | <u>100.00%</u>           |   |



**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(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 of 9.00 percent and that Employer contributions will be made at the rate set in the Board's Funding Policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

|                                      | <b>1% Decrease<br/>(6.75%)</b> | <b>Current<br/>Discount Rate<br/>(7.75%)</b> | <b>1% Increase<br/>(8.75%)</b> |
|--------------------------------------|--------------------------------|--|--------------------------------|
| Plan's net pension liability (asset) | <u>\$ 115,909,613</u>          | <u>\$ 89,548,564</u>                         | <u>\$ 67,790,107</u>           |

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Deferred Compensation Plan**

The City also offers to its employees, voluntary participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, Group Flexible Fund Retirement Contracts, administered by Nationwide Retirement Solutions, Inc., permits employees to defer a portion of their salary until future years. All plan assets are held in trust by Nationwide for the exclusive benefit of the participants and their beneficiaries and not subject to the claims of the City's general creditors. Accordingly, the assets and liabilities for the compensation deferred by plan participants is not reflected in the City's financial statements. During the year ended September 30, 2020, contributions by participants employed by the City totaled \$571,922.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**K. Community Development Block Grant Program**

**Status of Grants**

The City of Biloxi is awarded an entitlement grant every year by the Department of Housing and Urban Development Community Block Grant Program. The following represents the status of the award of grant funds as of September 30, 2020:

|                      | Award               | Drawn Prior<br>to FYE<br>9/30/19 | Drawn During<br>FYE<br>9/30/20 | Balance           |
|----------------------|---------------------|----------------------------------|--------------------------------|-------------------|
| CDBG B-14-MC-28-0001 | \$ 415,068          | \$ 368,993                       | \$ 46,075                      | \$ -              |
| CDBG B-15-MC-28-0001 | 417,323             | 373,974                          | 43,349                         | -                 |
| CDBG B-16-MC-28-0001 | 417,843             | 351,974                          | 65,869                         | -                 |
| CDBG B-17-MC-28-0001 | 443,429             | 320,198                          | 123,231                        | -                 |
| CDBG B-18-MC-28-0001 | 459,833             | 37,052                           | 160,640                        | 262,141           |
| CDBG B-19-MC-28-0001 | 470,034             | -                                | 18,631                         | 451,403           |
| Totals               | <u>\$ 2,623,530</u> | <u>\$ 1,452,191</u>              | <u>\$ 457,795</u>              | <u>\$ 713,544</u> |

**Waterfront Development**

Through the use of certain Department of Housing & Urban Development (HUD) grants and loans, the City has acquired and developed property commonly known as the Point Cadet Waterfront Development Project. These federal grants and loans contain restrictions which require that 5.13% of the income (such as rents), generated by these properties, be restricted as to use for CDBG eligible activities only.

The City of Biloxi has negotiated three leases with Landry's, Inc. who operates the "Golden Nugget Casino" at the Point Cadet Waterfront Development. A portion of the lease revenues are considered program income under the CDBG and HUD Section 108 loan programs, and are restricted to use for such eligible purposes. The initial lease (casino lease), dated August 1, 1992, calls for an initial term of seven (7) years with seven additional five (5) year renewal options. Minimum annual rentals are \$500,000. Minimum annual rentals for each renewal option period are adjusted by the Consumer Price Index. In addition to the minimum annual rentals, the lease calls for an additional annual amount equal to three percent (3%) of the tenant's gross annual revenues in excess of \$25,000.

Another lease (hotel lease), dated April 13, 1994, calls for an initial term of twenty-five (25) years with six additional ten (10) year renewal options and a final option period with a termination date of December 31, 2085. Minimum annual rentals began at \$404,000 and are adjusted every five years by reference to the Consumer Price Index. In addition to the minimum annual rentals, the lease calls for an additional amount equal to four percent (4%) of the tenant's gross revenues.

A third lease (podium lease), dated August 15, 2002, calls for an initial term of forty (40) years (although the tenant had the right to terminate on July 31, 2009, and on every fifth anniversary of that date), with one additional twenty-five (25) year renewal option. The final period would terminate on August 14, 2067. Minimum rent is computed as a function of the total annual minimum and percentage rent from the casino lease and hotel lease. When coupled with four percent (4%) of the tenant's gross revenues from the property covered by the podium lease, the annual guaranteed rent is \$2,733,000 plus one-third (1/3) of all scheduled contingent increases. The guaranteed rent is to be adjusted every five years by reference to the Consumer Price Index.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Mortgage Loans Receivable**

Under the CDBG Program, the City of Biloxi makes installment mortgage loans to eligible parties. These loans are secured by a deed of trust and have varying interest rates and terms.

Mortgage loans receivable at September 30, 2020, consisted of the following:

|  |               |
|--|---------------|
| Nixon Street home acquisition mortgages  | \$ 805        |
| Total deferred mortgage loans receivable | <u>\$ 805</u> |

**L. Self-Insured Risk, Claims and Other Contingencies**

As described in Note 1 to the financial statements, the City has established a self-insurance risk retention program administered through an internal service fund. The following is a summary of the City's insurance coverage and self-insured risk retention (SIR):

**Property damage**

|  |            |
|--|------------|
| Per occurrence for all other perils    | \$ 100,000 |
| Per occurrence for named wind/hail     | 1,000,000  |
| Per occurrence for all other wind/hail | 250,000    |
| Specific excess coverage in force      | 75,000,000 |

**Workers compensation**

|  |           |
|--|-----------|
| Per occurrence deductible for police, firefighters, first responders (SIR) | 750,000   |
| Per occurrence deductible for all other employees (SIR), \$1,000,000 agg.  | 500,000   |
| Specific excess coverage in force  | Statutory |

**General and other liability coverage**

|  |            |
|--|------------|
| Per occurrence deductible for fire trucks auto physical damage (SIR)     | \$ 100,000 |
| Per occurrence deductible for general liability (SIR)                    | 150,000    |
| Specific excess coverage in force general liability, \$3,000,000 agg.    | 1,000,000  |
| Per occurrence deductible for auto liability (SIR)                       | 150,000    |
| Specific excess coverage in force auto liability                         | 1,000,000  |
| Per occurrence deductible for errors and omissions                       | 150,000    |
| Specific excess coverage in force errors and omissions, \$2,000,000 agg. | 1,000,000  |
| Per occurrence deductible for employment practices (SIR)                 | 150,000    |
| Specific excess coverage in force employment practices, \$2,000,000 agg. | 1,000,000  |
| Per individual deductible for employee benefits (SIR)                    | 150,000    |
| Specific excess coverage in force employee benefits, \$2,000,000 agg.    | 1,000,000  |
| Per individual deductible for law enforcement (SIR)                      | 150,000    |
| Specific excess coverage in force law enforcement \$3,000,000 agg.       | 1,000,000  |

**Health**

|   |           |
|---|-----------|
| Per individual deductible (SIR)                   | 125,000   |
| Annual aggregate risk of loss through deductibles | 9,826,537 |
| Specific excess coverage in force                 | 1,000,000 |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The following is a summary of the City's self-insurance reserves at September 30, 2020:

|  | Employee<br>Medical<br>Claims | Property,<br>Liability &<br>Workers'<br>Compensation | Total               |
|--|-------------------------------|--|---------------------|
| Total estimated liability and reserves –<br>October 01, 2018   | \$ 240,440                    | \$ 2,115,538   | \$ 2,355,978        |
| Claims incurred and changes in estimates                       | 6,934,273                     | 292,186  | 7,226,459           |
| Claims paid  | (7,174,713)                   | (561,533)  | (7,736,246)         |
| Total estimated liability and reserves –<br>September 30, 2019 | 0                             | 1,846,191  | 1,846,191           |
| Claims incurred and changes in estimates                       | 6,690,597                     | 582,318  | 7,272,915           |
| Claims paid  | (6,690,597)                   | (745,574)  | (7,436,171)         |
| Total estimated liability and reserves –<br>September 30, 2020 | <u>\$ -</u>                   | <u>\$ 1,682,935</u>                                  | <u>\$ 1,682,935</u> |

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

The City is involved in various other legal matters arising during the normal course of business activities. Management, after consulting legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the City.

#### **M. Related Party Commitments**

##### **Joint Venture**

The City of Biloxi is a member of the Harrison County Utility Authority (Authority) which was established by an act of the Mississippi Legislature to provide for adequate wastewater treatment and solid waste disposal services to the citizens of Harrison County, Mississippi. The governing board is comprised of one member from each of the cities and two members from each of the counties who are members of the Authority. Through a fifty-year contract, the City of Biloxi is obligated to pay monthly, its pro-rata share of all operating, administrative, and capital costs of the Authority. Additionally, the City is jointly and severally liable for all of the liabilities of the Authority. The Authority is classified as a joint venture between the City of Biloxi and the other members. The following is a synopsis of the Authority's financial statements as of and for the year ended September 30, 2020, a complete copy of which is on file at the administrative offices of the Authority.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**Harrison County Utility Authority Synopsis**

**Statement of Net Position**

**Assets and Deferred Outflow of Resources**

|                               |                       |
|-------------------------------|-----------------------|
| Current assets                | \$ 10,942,348         |
| Restricted assets             | 13,321,461            |
| Property, plant and equipment | <u>220,803,237</u>    |
| Total assets                  | <u>\$ 245,067,046</u> |
| Deferred outflow of resources | <u>\$ 20,613,771</u>  |

**Liabilities & Net Position**

|                               |                       |
|-------------------------------|-----------------------|
| Current, unrestricted         | \$ 8,372,687          |
| Current, restricted           | 7,926,858             |
| Long-term liabilities         | <u>101,929,884</u>    |
| Total liabilities             | <u>\$ 118,229,429</u> |
| Deferred inflows of resources | <u>\$ 0</u>           |
| <b>Net position</b>           | <u>\$ 147,451,388</u> |

**Statement of Revenues and Expenses**

|                                   |                       |
|-----------------------------------|-----------------------|
| Operating revenues                | \$ 20,724,287         |
| Operating expenses                | (19,544,199)          |
| Depreciation and amortization     | (14,544,977)          |
| Non-operating revenues (expenses) | <u>5,380,908</u>      |
| Changes in net position           | <u>\$ (7,983,981)</u> |

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

The following financial information concerning transactions with the Authority have been included in the City of Biloxi's financial statements under the following captions:

**General Fund**

Statement of revenues, expenditures and changes in fund balance:

Public works expenditures:

Other services and charges (solid waste charges) \$ 2,824,593

**Water and Sewer Enterprise Fund**

Statement of net position:

Accounts receivable \$ -

Statement of revenues, expenses and changes in retained earnings:

Operating expenses:

Contracted services (wastewater treatment) \$ 8,305,130

**Jointly Governed Organizations**

**Harrison County Library System** – On May 18, 1976, the City entered into an agreement with the Board of Trustees of the Biloxi Public Library, the City of Gulfport, the Board of Supervisors of Harrison County, the Board of Trustees of the Gulfport-Harrison County Library, the City of Pass Christian, and the Board of Trustees of the Pass Christian Public Library to mutually cooperate in securing a more economical public library system through combined resources, interests, materials and facilities to be known as the Harrison County Library System. There are no specific monetary terms in the agreement and the City of Biloxi has no equity interest in the organization. However, a budget is approved every year by the County Library Board, which stipulates the amount of funds needed from the participating municipalities and various other funding sources. The City of Biloxi contributed \$707,000 for the year ended September 30, 2020.

The amount budgeted for the City of Biloxi for the fiscal year ended September 30, 2021 is \$673,000. This agreement is cancelable upon 60 days written notice prior to the end of the fiscal year and therefore, the City of Biloxi does not have an ongoing financial responsibility.

**Gulfport-Biloxi Regional Airport Authority** – The Gulfport-Biloxi Regional Airport Authority was chartered on August 25, 1977, and assumed control of the Airport on October 1, 1977. The Authority is comprised of one appointee each from the local governmental units of the City of Gulfport, the City of Biloxi, and Harrison County. These governmental units have agreed to subsidize the Airport annually. During the past fiscal year, the City of Biloxi provided no subsidy to the Gulfport-Biloxi Regional Airport. The City has budgeted \$0 for the 2019-2020 fiscal year. The City of Biloxi has no equity interest in the organization.

**City of Biloxi, Mississippi**  
**Notes to the Financial Statements**  
September 30, 2020  
(Continued)

**N. Other Commitments**

**Property Leases**

On August 15, 2002, the City of Biloxi entered into the Point Cadet Compromise and Settlement Agreement with the State Institutions of Higher Learning (IHL) and the Secretary of State on behalf of the State of Mississippi, and the Riverboat Corporation (Golden Nugget). In lieu of the December 2, 1985, lease with the Board of Trustees of State Institutions of Higher Learning, this agreement provides that the City has an undivided one third interest in the entire Point Cadet Development site. Currently, the first \$2,733,000 of revenue from this property each year is received by the City of Biloxi, and then additional annual revenue which exceeds \$2,733,000 is allocated by thirds to the City of Biloxi, IHL, and the State Tidelands Trust Fund. Based on other lease documents executed at the same time, the City believes it is entitled to additional rent of at least \$300,000 per year.

The two tidelands lease agreements with the State of Mississippi dated July 15, 1988, continue in effect until June 30, 2018. The City renewed these agreements by resolution in 2018 for an additional thirty years. Lease payments under those leases are now currently established at \$638,000 per year, but the Riverboat Corporation (Golden Nugget) is obligated to make those payments directly to the State on behalf of the City.

**Capital Projects**

In connection with the Capital Projects Funds, the City has budgeted certain commitments for engineering services, construction and other capital project costs. The projects are to be funded, in part, with State and Federal grants. The remainder of the required funds will be generated by local sources and insurance claim proceeds. The following is a summary of the budgeted commitment for capital projects at September 30, 2020:

|  |                       |
|--|-----------------------|
| Total commitment for general Capital Projects                            | \$ <u>196,564,023</u> |
| Funding sources:   |                       |
| Federal and State Grants   | \$ 174,251,512        |
| Bond Funds and other borrowings  | 15,679,775            |
| Enterprise Funds   | 6,365,206             |
| General Fund surplus and other future<br>sources of funds to be provided | <u>267,530</u>        |
| Total fund sources   | \$ <u>196,564,023</u> |

**O. Subsequent Events**

Management has evaluated subsequent events through January 19, 2022, the date on which the financial statements were available to be issued.

## **Required Supplementary Information**





**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**General Fund**  
For the Fiscal Year Ended September 30, 2020

|                          | Budgeted Amounts |               |               | Variance<br>Positive<br>(Negative) |
|--------------------------|------------------|---------------|---------------|------------------------------------|
|                          | Original         | Final         | Actual        |                                    |
| <b>Revenues</b>          |                  |               |               |                                    |
| Ad valorem taxes         | \$ 11,218,172    | \$ 11,218,172 | \$ 11,166,009 | \$ (52,163)                        |
| Licenses and permits     | 4,237,800        | 4,237,800     | 3,990,820     | (246,980)                          |
| Intergovernmental        | 33,786,400       | 33,786,400    | 28,885,841    | (4,900,559)                        |
| Federal & state grants   | 426,480          | 1,244,405     | 785,018       | (459,387)                          |
| Charges for services     | 2,927,500        | 2,939,536     | 2,597,549     | (341,987)                          |
| Fines                    | 591,000          | 591,000       | 498,679       | (92,321)                           |
| Other                    | 6,896,235        | 6,975,070     | 8,893,910     | 1,918,840                          |
| Total revenues           | 60,083,587       | 60,992,383    | 56,817,826    | (4,174,557)                        |
| <b>Expenditures</b>      |                  |               |               |                                    |
| Administration           |                  |               |               |                                    |
| Personnel services       | 1,958,698        | 2,028,954     | 1,943,491     | 85,463                             |
| Supplies                 | 47,000           | 58,528        | 55,737        | 2,791                              |
| Other services & charges | 265,050          | 280,118       | 278,214       | 1,904                              |
| Contractual services     | 1,287,761        | 1,303,848     | 1,308,820     | (4,972)                            |
| Capital outlay           | 160,000          | 110,000       | 90,662        | 19,338                             |
| Total                    | 3,718,509        | 3,781,448     | 3,676,924     | 104,524                            |
| Executive                |                  |               |               |                                    |
| Personnel services       | 553,368          | 493,419       | 473,843       | 19,576                             |
| Supplies                 | 198,000          | 213,336       | 208,430       | 4,906                              |
| Other services & charges | 58,055           | 47,355        | 34,913        | 12,442                             |
| Contractual services     | 91,250           | 62,550        | 48,345        | 14,205                             |
| Capital outlay           | -                | -             | -             | -                                  |
| Total                    | 900,673          | 816,660       | 765,531       | 51,129                             |
| Legislative              |                  |               |               |                                    |
| Personnel services       | 576,080          | 593,921       | 582,412       | 11,509                             |
| Supplies                 | 8,500            | 7,250         | 3,436         | 3,814                              |
| Other services & charges | 135,000          | 136,250       | 116,526       | 19,724                             |
| Contractual services     | 7,600            | 7,600         | 471           | 7,129                              |
| Capital outlay           | 44,000           | 44,000        | 41,495        | 2,505                              |
| Total                    | 771,180          | 789,021       | 744,340       | 44,681                             |
| Legal                    |                  |               |               |                                    |
| Personnel services       | 975,440          | 1,025,676     | 978,899       | 46,777                             |
| Supplies                 | 15,100           | 18,169        | 15,817        | 2,352                              |
| Other services & charges | 907,578          | 877,386       | 692,626       | 184,760                            |
| Contractual services     | 26,105           | 24,955        | 18,776        | 6,179                              |
| Capital outlay           | -                | -             | -             | -                                  |
| Total                    | 1,924,223        | 1,946,186     | 1,706,118     | 240,068                            |

Continued on next page

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**General Fund**

For the Fiscal Year Ended September 30, 2020  
(Continued)

|  | Budgeted Amounts     |                      | Actual               | Variance<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|------------------------------------|
|  | Original             | Final                |                      |                                    |
| Community development                                |                      |                      |                      |                                    |
| Personnel services                                   | 2,131,433            | 2,251,345            | 2,064,553            | 186,792                            |
| Supplies   | 128,400              | 102,116              | 80,418               | 21,698                             |
| Other services & charges                             | 932,200              | 843,860              | 731,889              | 111,971                            |
| Contractual services                                 | 379,000              | 314,840              | 268,650              | 46,190                             |
| Capital outlay                                       | -                    | -                    | -                    | -                                  |
| Total  | 3,571,033            | 3,512,161            | 3,145,510            | 366,651                            |
| Parks & recreation                                   |                      |                      |                      |                                    |
| Personnel services                                   | 3,204,818            | 3,058,589            | 2,704,885            | 353,704                            |
| Supplies   | 349,850              | 330,233              | 281,734              | 48,499                             |
| Other services & charges                             | 539,050              | 539,374              | 440,730              | 98,644                             |
| Contractual services                                 | 845,700              | 826,572              | 241,891              | 584,681                            |
| Capital outlay                                       | 51,800               | 14,585               | 13,334               | 1,251                              |
| Total  | 4,991,218            | 4,769,353            | 3,682,574            | 1,086,779                          |
| Public safety  |                      |                      |                      |                                    |
| Personnel services                                   | 28,327,870           | 30,572,903           | 28,066,745           | 2,506,158                          |
| Supplies   | 1,340,753            | 1,386,939            | 1,251,379            | 135,560                            |
| Other services & charges                             | 646,870              | 742,416              | 722,827              | 19,589                             |
| Contractual services                                 | 1,241,754            | 1,113,719            | 944,799              | 168,920                            |
| Capital outlay                                       | 2,878,944            | 3,134,212            | 1,895,218            | 1,238,994                          |
| Total  | 34,436,191           | 36,950,189           | 32,880,968           | 4,069,221                          |
| Public works   |                      |                      |                      |                                    |
| Personnel services                                   | 5,108,662            | 5,197,759            | 4,896,578            | 301,181                            |
| Supplies   | 573,150              | 550,126              | 412,816              | 137,310                            |
| Other services & charges                             | 252,550              | 224,270              | 211,641              | 12,629                             |
| Contractual services                                 | 4,480,440            | 4,385,563            | 4,117,342            | 268,221                            |
| Capital outlay                                       | 175,000              | 85,000               | 49,807               | 35,193                             |
| Total  | 10,589,802           | 10,442,718           | 9,688,184            | 754,534                            |
| Nondepartmental                                      |                      |                      |                      |                                    |
| Interest and principal                               | 486,500              | 486,500              | 469,379              | 17,121                             |
| Capital outlay                                       | -                    | -                    | -                    | -                                  |
| Other services & charges                             | 2,700,000            | 2,700,000            | 2,646,974            | 53,026                             |
| Contractual services                                 | 1,312,488            | 1,340,448            | 1,313,455            | 26,993                             |
| Total  | 4,498,988            | 4,526,948            | 4,429,808            | 97,140                             |
| Total expenditures                                   | 65,401,817           | 67,534,684           | 60,719,957           | 6,814,727                          |
| Excess (deficiency) of revenues<br>over expenditures | (5,318,230)          | (6,542,301)          | (3,902,131)          | 2,640,170                          |
| <b>Other financing sources (uses)</b>                |                      |                      |                      |                                    |
| Proceeds of Note                                     | 1,247,250            | 1,247,250            | 4,250,000            | 3,002,750                          |
| Transfers in   | 275,000              | 365,312              | (24,000)             | (389,312)                          |
| Transfers out  | (318,956)            | (434,922)            | 3,508                | 438,430                            |
| Total other financing sources (uses)                 | 1,203,294            | 1,177,640            | 4,229,508            | 3,051,868                          |
| Net change in fund balances                          | (4,114,936)          | (5,364,661)          | 327,377              | 5,692,038                          |
| Fund balances, beginning of year                     | 18,497,783           | 18,497,783           | 18,497,783           |                                    |
| Fund balances, end of year                           | <u>\$ 14,382,847</u> | <u>\$ 13,133,122</u> | <u>\$ 18,825,160</u> | <u>\$ 5,692,038</u>                |

*The accompanying notes are an integral part of the financial statements.*

**City of Biloxi, Mississippi**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability**  
Last Six Fiscal Years

|   | 2020   |  |  | 2019   |  |  | 2018   |  |  | 2017   |  |  | 2016   |  |  | 2015   |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan |
| Proportion of the net pension liability   | 100.0000%  | 0.462572%  | 100.0000%  | 0.459808%  | 100.0000%  | 0.461028%  | 100.0000%  | 0.474266%  | 100.0000%  | 0.431719%  | 100.0000%  | 0.431719%  | 100.0000%  | 0.431719%  | 100.0000%  | 0.428988%  | 0.428988%  | 0.428988%  |
| Proportionate share of the net pension liability  | \$ 11,447,016  | \$ 89,548,564  | \$ 10,750,494  | \$80,889,299   | \$ 11,328,337  | \$76,682,653   | \$ 12,795,007  | \$78,839,106   | \$ 13,916,120  | \$ 77,115,794  | \$ 14,111,051  | \$ 66,314,940  | \$ 14,111,051  | \$ 66,314,940  | \$ 14,111,051  | \$ 66,314,940  | \$ 66,314,940  | \$ 66,314,940  |
| Covered payroll   | N/A  | \$ 30,784,850  | N/A  | \$29,949,508   | N/A  | \$29,443,354   | N/A  | \$29,456,560   | N/A  | \$ 27,548,362  | N/A  | \$ 26,671,663  | N/A  | \$ 26,671,663  | N/A  | \$ 26,671,663  | \$ 26,671,663  | \$ 26,671,663  |
| Proportionate share of the net pension liability as a percentage of its covered payroll | N/A  | 290.89%  | N/A  | 270.09%  | N/A  | 260.44%  | N/A  | 267.65%  | N/A  | 279.93%  | N/A  | 248.63%  | N/A  | 248.63%  | N/A  | 248.63%  | 248.63%  | 248.63%  |
| Plan fiduciary net position as a percentage of the total pension liability              | 41.12%   | 58.97%   | 44.74%   | 61.59%   | 44.03%   | 62.54%   | 41.50%   | 61.49%   | 39.26%   | 57.47%   | 41.18%   | 61.70%   | 41.18%   | 61.70%   | 41.18%   | 61.70%   | 61.70%   | 61.70%   |

**Note:** This schedule will eventually cover the ten most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Required Supplementary Information**  
**Schedule of Pension Contributions**  
Last Six Fiscal Years

|  | 2020   |  |  | 2019   |  |  | 2018   |  |  | 2017   |  |  | 2016   |  |  | 2015   |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan | Fireman's and<br>Policemen's<br>Disability and<br>Relief Plan and<br>Employee's<br>Disability and<br>Relief Plan | Public<br>Employee's<br>System<br>Defined<br>Benefit<br>Pension Plan |
| Contractually required contribution                                  | \$ 1,088,549   | \$ 5,356,517   | \$ 1,366,962   | \$ 4,836,800   | \$ 1,383,689   | \$ 4,640,135   | \$ 1,256,483   | \$ 4,639,406   | \$ 1,361,189   | \$ 4,349,855   | \$ 1,325,049   | \$ 4,349,855   | \$ 1,325,049   | \$ 4,349,855   | \$ 1,325,049   | \$ 4,221,110   | \$ 4,221,110   | \$ 4,221,110   |
| Contributions in relation to the contractually required contribution | 1,088,549  | 5,356,517  | 1,366,962  | 4,836,800  | 1,383,689  | 4,640,135  | 1,256,483  | 4,639,406  | 1,361,189  | 4,349,855  | 1,325,049  | 4,349,855  | 1,325,049  | 4,349,855  | 1,325,049  | 4,221,110  | 4,221,110  | 4,221,110  |
| Contribution deficiency (excess)                                     | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   |
| Covered payroll  | N/A  | \$ 30,784,850  | N/A  | \$ 29,949,508  | N/A  | \$ 29,443,354  | N/A  | \$ 29,456,560  | N/A  | \$ 27,548,362  | N/A  | \$ 27,548,362  | N/A  | \$ 27,548,362  | N/A  | \$ 26,671,663  | \$ 26,671,663  | \$ 26,671,663  |
| Contributions as a percentage of covered payroll                     | N/A  | 17.40%   | N/A  | 16.15%   | N/A  | 15.76%   | N/A  | 15.75%   | N/A  | 15.79%   | N/A  | 15.79%   | N/A  | 15.79%   | N/A  | 15.83%   | 15.83%   | 15.83%   |

**Note:** This schedule will eventually cover the ten most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

*See independent auditors' report*

**City of Biloxi**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**

**Note A - Changes of Assumptions**

For 2019: The expectation of retired life mortality was changed to the PubS.H-2010(B). The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments: (a) For males, 137% of male rates at all ages. (b) For females, 115% of female rates at all ages. (c) Projection scale MP-2018 will be used to project future improvements in life expectancy generationally. The price inflation assumption was reduced from 3.00% to 2.75%. The wage inflation assumption was reduced from 3.25% to 3.00%. Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience. The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

For 2017: The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives. The wage inflation assumption was reduced from 3.75% to 3.25%. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

For 2016: The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

For 2015: The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**Note B - Changes in pension benefit provisions**

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

*See independent auditors' report.*



## **Combining Financial Statements**





**City of Biloxi, Mississippi**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
September 30, 2020

|                                   | Special Revenue                   |                                     |                                    |                              | Capital Projects                  |                                   |                                    |                |                                     |                                   |              |
|-----------------------------------|-----------------------------------|-------------------------------------|------------------------------------|------------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------|-------------------------------------|-----------------------------------|--------------|
|                                   | Community Development Block Grant | Employees' Disability & Relief Fund | Employees' State Unemployment Fund | City Bicentennial Trust Fund | Baseball Capital Maintenance Fund | General Obligation 2003 Bond Fund | Public Improvement 2014A Bond Fund | 2017 Bond Fund | 2002 TIF Capital Projects Bond Fund | Wal-Mart TIF I & II Projects Fund | Total        |
| Cash                              | \$ 12,487                         | \$ -                                | \$ 431,764                         | \$ 33,262                    | \$ 19,328                         | \$ -                              | \$ -                               | \$ 280,345     | \$ -                                | \$ 100,309                        | \$ 877,495   |
| Investments                       | -                                 | -                                   | -                                  | -                            | -                                 | 4,075                             | 82,533                             | -              | 49,376                              | 108,305                           | 244,289      |
| Taxes receivable                  | -                                 | 12,412                              | -                                  | -                            | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 12,412       |
| Other                             | 35,859                            | -                                   | -                                  | -                            | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 35,859       |
| Mortgage loans receivable         | 805                               | -                                   | -                                  | -                            | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 805          |
| Total assets                      | \$ 49,151                         | \$ 12,412                           | \$ 431,764                         | \$ 33,262                    | \$ 19,328                         | \$ 4,075                          | \$ 82,533                          | \$ 280,345     | \$ 49,376                           | \$ 208,614                        | \$ 1,170,860 |
| Liabilities & Fund Balance        |                                   |                                     |                                    |                              |                                   |                                   |                                    |                |                                     |                                   |              |
| Liabilities                       |                                   |                                     |                                    |                              |                                   |                                   |                                    |                |                                     |                                   |              |
| Accounts payable                  | \$ 80,314                         | \$ 12,412                           | \$ 5                               | \$ -                         | \$ -                              | \$ -                              | \$ -                               | \$ -           | \$ -                                | \$ 50,000                         | \$ 142,731   |
| Total liabilities                 | 80,314                            | 12,412                              | 5                                  | -                            | -                                 | -                                 | -                                  | -              | -                                   | 50,000                            | 142,731      |
| Fund balance                      |                                   |                                     |                                    |                              |                                   |                                   |                                    |                |                                     |                                   |              |
| Restricted for                    |                                   |                                     |                                    |                              |                                   |                                   |                                    |                |                                     |                                   |              |
| Long term receivables             | 805                               | -                                   | -                                  | -                            | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 805          |
| Claims                            | -                                 | -                                   | 431,759                            | -                            | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 431,759      |
| Endowment                         | -                                 | -                                   | -                                  | 33,262                       | -                                 | -                                 | -                                  | -              | -                                   | -                                 | 33,262       |
| Maintenance                       |                                   |                                     |                                    |                              | 19,328                            |                                   |                                    |                |                                     |                                   | 19,328       |
| Committed to capital improvements | (31,968)                          | -                                   | -                                  | -                            | -                                 | 4,075                             | 82,533                             | 280,345        | 49,376                              | 158,614                           | 542,975      |
| Total fund balances               | (31,163)                          | -                                   | 431,759                            | 33,262                       | 19,328                            | 4,075                             | 82,533                             | 280,345        | 49,376                              | 158,614                           | 1,028,129    |
| Total liabilities & fund balance  | \$ 49,151                         | \$ 12,412                           | \$ 431,764                         | \$ 33,262                    | \$ 19,328                         | \$ 4,075                          | \$ 82,533                          | \$ 280,345     | \$ 49,376                           | \$ 208,614                        | \$ 1,170,860 |

See independent auditors' report.

**City of Biloxi, Mississippi**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Year Ended September 30, 2020

|                                       | Special Revenue                            |   |   | Capital Projects                   |  |   |                    |   |  | Wal-Mart<br>TIF I & II<br>Projects<br>Fund | Total        |
|---------------------------------------|--|---|---|------------------------------------|--|---|--------------------|---|--|--|--------------|
|                                       | Community<br>Development<br>Block<br>Grant | Employees'<br>Disability &<br>Relief Fund | Employees'<br>State<br>Unemployment<br>Fund | City<br>Bicentennial<br>Trust Fund | Baseball<br>Capital<br>Maintenance<br>Fund | General Obligation<br>2003<br>Bond Fund | 2014A<br>Bond Fund | Public Improvement<br>2017<br>Bond Fund | 2002 TIF<br>Capital<br>Projects<br>Bond Fund |  |              |
| <b>Revenues</b>                       |  |   |   |                                    |  |   |                    |   |  |  |              |
| Ad valorem taxes                      | \$ -                                       | \$ 1,082,860                              | \$ -  | \$ -                               | \$ -                                       | \$ -                                    | \$ -               | \$ -                                    | \$ -   | \$ -                                       | \$ 1,082,860 |
| Intergovernmental                     | 302,501                                    | -   | -   | -                                  | -  | -                                       | -                  | -                                       | -  | -  | 302,501      |
| Other income                          | 169,362                                    | -   | 4,784                                       | 111                                | 27,780                                     | (81)                                    | 3,432              | 6,292                                   | 350  | 1,133                                      | 213,163      |
| Total revenues                        | 471,863                                    | 1,082,860                                 | 4,784                                       | 111                                | 27,780                                     | (81)                                    | 3,432              | 6,292                                   | 350  | 1,133                                      | 1,598,524    |
| <b>Expenditures</b>                   |  |   |   |                                    |  |   |                    |   |  |  |              |
| Parks and recreation                  | -  | -   | -   | -                                  | 33,624                                     | -                                       | -                  | -                                       | -  | -  | 33,624       |
| Community development                 | 532,440                                    | -   | -   | -                                  | -  | -                                       | -                  | -                                       | -  | -  | 532,440      |
| Benefit payments                      | -  | 1,082,860                                 | 4,384                                       | -                                  | -  | -                                       | -                  | -                                       | -  | -  | 1,087,244    |
| Bond issue costs                      | -  | -   | -   | -                                  | -  | -                                       | -                  | -                                       | -  | 609  | 609          |
| Capital outlay, projects              | -  | -   | -   | -                                  | -  | -                                       | -                  | -                                       | -  | -  | -            |
| Total expenditures                    | 532,440                                    | 1,082,860                                 | 4,384                                       | -                                  | 33,624                                     | -                                       | -                  | -                                       | -  | 609  | 1,653,917    |
| Excess of revenues over expenditures  | (60,577)                                   | -   | 400   | 111                                | (5,844)                                    | (81)                                    | 3,432              | 6,292                                   | 350  | 524  | (55,393)     |
| <b>Other financing sources (uses)</b> |  |   |   |                                    |  |   |                    |   |  |  |              |
| Transfers in                          | -  | -   | -   | -                                  | -  | -                                       | -                  | -                                       | -  | (4,025)                                    | (4,025)      |
| Transfers out                         | -  | -   | -   | -                                  | -  | -                                       | (376,073)          | (308,382)                               | -  | -  | (684,455)    |
| Total other financing sources (uses)  | -  | -   | -   | -                                  | -  | -                                       | (376,073)          | (308,382)                               | -  | (4,025)                                    | (688,480)    |
| Net change in fund balances           | (60,577)                                   | -   | 400   | 111                                | (5,844)                                    | (81)                                    | (372,641)          | (302,090)                               | 350  | (3,501)                                    | (743,873)    |
| Fund balance, beginning of year       | 29,414                                     | -   | 431,359                                     | 33,151                             | 25,172                                     | 4,156                                   | 455,173            | 582,436                                 | 49,026                                       | 162,115                                    | 1,772,002    |
| Fund balance, end of year             | \$ (31,163)                                | \$ -                                      | \$ 431,759                                  | \$ 33,262                          | \$ 19,328                                  | \$ 4,075                                | \$ 82,532          | \$ 280,346                              | \$ 49,376                                    | \$ 158,614                                 | \$ 1,028,129 |

See independent auditors' report.

**City of Biloxi, Mississippi**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
(for self-insured risks)  
September 30, 2020

| <b>Assets</b>                                     | Liability,<br>Property<br>& Workers<br>Comp. | Employee<br>Medical<br>Claims | Gaming<br>Revenue<br>Interruption | Total               |
|---|--|-------------------------------|-----------------------------------|---------------------|
| <b>Restricted assets</b>                          |  |                               |                                   |                     |
| Cash  | \$ 1,554,810                                 | \$ -                          | \$ 84,805                         | \$ 1,639,615        |
| Due from other City funds                         | 128,125                                      | -                             | -                                 | 128,125             |
| Total restricted assets                           | <u>\$ 1,682,935</u>                          | <u>\$ -</u>                   | <u>\$ 84,805</u>                  | <u>\$ 1,767,740</u> |
| <b>Liabilities &amp; Net Assets</b>               |  |                               |                                   |                     |
| <b>Liabilities payable from restricted assets</b> |  |                               |                                   |                     |
| Claims contingency payable                        | <u>\$ 1,682,935</u>                          | <u>\$ -</u>                   | <u>\$ -</u>                       | <u>\$ 1,682,935</u> |
| <b>Net position</b>                               |  |                               |                                   |                     |
| Unrestricted                                      | <u>-</u>                                     | <u>-</u>                      | <u>84,805</u>                     | <u>84,805</u>       |
| Total liabilities and net position                | <u>\$ 1,682,935</u>                          | <u>\$ -</u>                   | <u>\$ 84,805</u>                  | <u>\$ 1,767,740</u> |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
(for self-insured risks)  
For the Year Ended September 30, 2020

|   | Liability,<br>Property<br>& Workers<br>Comp. | Employee<br>Medical<br>Claims | Gaming<br>Revenue<br>Interruption | Total             |
|---|--|-------------------------------|-----------------------------------|-------------------|
| <b>Operating revenues</b>                         |  |                               |                                   |                   |
| Charges for services, insurance billings          | \$ 3,930,165                                 | \$ 7,346,694                  | \$ -                              | \$ 11,276,859     |
| COBRA contributions                               | -  | 139,196                       | -                                 | 139,196           |
| Total operating revenue                           | <u>3,930,165</u>                             | <u>7,485,890</u>              | <u>-</u>                          | <u>11,416,055</u> |
| <b>Operating expenses</b>                         |  |                               |                                   |                   |
| Insurance and reinsurance                         | 2,637,424                                    | 477,021                       | -                                 | 3,114,445         |
| Claims expense                                    | 1,292,741                                    | 7,236,254                     | -                                 | 8,528,995         |
| Total operating expenses                          | <u>3,930,165</u>                             | <u>7,713,275</u>              | <u>-</u>                          | <u>11,643,440</u> |
| Excess (deficiency) of revenues over expenditures | -  | (227,385)                     | -                                 | (227,385)         |
| <b>Other financing sources (uses)</b>             |  |                               |                                   |                   |
| Interest income                                   | -  | -                             | 936                               | 936               |
| Transfers in                                      | -  | 227,385                       | -                                 | 227,385           |
| Transfers out                                     | -  | -                             | -                                 | -                 |
| Total other financing sources (uses)              | <u>-</u>                                     | <u>227,385</u>                | <u>936</u>                        | <u>228,321</u>    |
| Change in net position                            | -  | -                             | 936                               | 936               |
| Net position, beginning of the year               | <u>-</u>                                     | <u>-</u>                      | <u>83,869</u>                     | <u>83,869</u>     |
| Net position, end of the year                     | <u>\$ -</u>                                  | <u>\$ -</u>                   | <u>\$ 84,805</u>                  | <u>\$ 84,805</u>  |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
(for self-insured risks)  
For the Year Ended September 30, 2020

|  | Liability,<br>Property<br>& Workers<br>Comp. | Employee<br>Medical<br>Claims | Gaming<br>Revenue<br>Interruption | Total               |
|--|--|-------------------------------|-----------------------------------|---------------------|
| <b>Cash flows from operating activities</b>                        |  |                               |                                   |                     |
| Receipts from customers  | \$ 3,930,165                                 | 7,485,889                     | \$ -                              | \$ 11,416,054       |
| Payments to suppliers  | (4,093,421)                                  | (7,713,275)                   | -                                 | (11,806,696)        |
| Net cash provided by (used in)<br>operating activities             | (163,256)                                    | (227,386)                     | -                                 | (390,642)           |
| <b>Cash flows from non-capital<br/>financing activities</b>        |  |                               |                                   |                     |
| Loans from (to) other funds  | (7,760)                                      | -                             | -                                 | (7,760)             |
| Transfers in (out)   | -  | 227,386                       | -                                 | 227,386             |
| Net cash provided by (used in)<br>non-capital financing activities | (7,760)                                      | 227,386                       | -                                 | 219,626             |
| <b>Cash flows from investing activities</b>                        |  |                               |                                   |                     |
| Interest and dividends on investments                              | -  | -                             | 936                               | 936                 |
| Net increase (decrease) in cash and<br>cash equivalents            | (171,016)                                    | -                             | 936                               | (170,080)           |
| Cash and cash equivalents, beginning<br>of period                  | 1,725,826                                    | -                             | 83,869                            | 1,809,695           |
| Cash and cash equivalents, end<br>of period                        | <u>\$ 1,554,810</u>                          | <u>\$ -</u>                   | <u>\$ 84,805</u>                  | <u>\$ 1,639,615</u> |

*See independent auditors' report.*



## **Supplemental Information**



**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budget Basis**  
**Debt Service Fund**  
For the Year Ended September 30, 2020

|   | Actual                     | Budget                     | Variance<br>Positive<br>(Negative) |
|---|----------------------------|----------------------------|------------------------------------|
| <b>Revenues</b>   |                            |                            |                                    |
| Ad valorem taxes  | \$ 6,965,455               | \$ 6,931,595               | \$ 33,860                          |
| Intergovernmental   | 404,205                    | 1,439,516                  | (1,035,311)                        |
| Other income  | 47,884                     | 12,600                     | 35,284                             |
| Total revenues  | <u>7,417,544</u>           | <u>8,383,711</u>           | <u>(966,167)</u>                   |
| <b>Expenditures</b>   |                            |                            |                                    |
| Principal retirement  | 5,378,761                  | 5,332,722                  | (46,039)                           |
| Interest expense  | 2,440,702                  | 2,858,964                  | 418,262                            |
| Paying agents' fees   | 30,653                     | 30,000                     | (653)                              |
| Total expenditures  | <u>7,850,116</u>           | <u>8,221,686</u>           | <u>371,570</u>                     |
| Excess (deficiency) of revenues over expenditures                             | <u>(432,572)</u>           | <u>162,025</u>             | <u>(594,597)</u>                   |
| <b>Other financing sources (uses)</b>   |                            |                            |                                    |
| Loan proceeds   | -                          | -                          | -                                  |
| Bond issue costs  | -                          | -                          | -                                  |
| Transfers in  | 4,025                      | -                          | 4,025                              |
| Total other financing sources (uses)  | <u>4,025</u>               | <u>-</u>                   | <u>4,025</u>                       |
| Excess (deficiency) of revenues and other financing sources over expenditures | <u>(428,547)</u>           | <u>162,025</u>             | <u>(590,572)</u>                   |
| Fund balances, beginning of year  | <u>4,331,898</u>           | <u>4,331,898</u>           | <u>-</u>                           |
| Fund balances, end of year  | <u><u>\$ 3,903,351</u></u> | <u><u>\$ 4,493,923</u></u> | <u><u>\$ (590,572)</u></u>         |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**Community Development Block Grant**  
For the Year Ended September 30, 2020

|   | Actual                     | Budget                     | Variance<br>Positive<br>(Negative) |
|---|----------------------------|----------------------------|------------------------------------|
| <b>Revenues</b>   |                            |                            |                                    |
| Intergovernmental   | \$ 302,501                 | \$ 1,071,443               | \$ (768,942)                       |
| Other income  | 175,643                    | 176,621                    | (978)                              |
| Total revenues  | <u>478,144</u>             | <u>1,248,064</u>           | <u>(769,920)</u>                   |
| <b>Expenditures</b>   |                            |                            |                                    |
| Community development   | <u>532,439</u>             | <u>1,322,171</u>           | <u>789,732</u>                     |
| Excess (deficiency) of revenues and other<br>sources over expenditures and other uses | (54,295)                   | (74,107)                   | 19,812                             |
| Fund balances, beginning of year  | <u>(78,512)</u>            | <u>(78,512)</u>            | <u>-</u>                           |
| Fund balances, end of year  | <u><u>\$ (132,807)</u></u> | <u><u>\$ (152,619)</u></u> | <u><u>\$ 19,812</u></u>            |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budget Basis**  
**Employees' Disability & Relief Funds**  
For the Year Ended September 30, 2020

|   | Fire and Police<br>Disability &<br>Relief Fund | Employees'<br>Disability &<br>Relief Fund | Total        | Budget       | Variance<br>Positive<br>(Negative) |
|---|--|---|--------------|--------------|------------------------------------|
| <b>Revenues</b>                         |  |   |              |              |                                    |
| Ad valorem taxes                        | \$ 668,297                                     | \$ 420,251                                | \$ 1,088,548 | \$ 1,573,165 | \$ (484,617)                       |
| <b>Expenditures</b>                     |  |   |              |              |                                    |
| Benefit payments                        | 668,297  | 420,251                                   | 1,088,548    | 1,573,165    | 484,617                            |
| Excess of revenues over<br>expenditures | -  | -   | -            | -            | -                                  |
| Fund balances, beginning of year        | -  | -   | -            | -            | -                                  |
| Fund balances, end of year              | \$ -   | \$ -                                      | \$ -         | \$ -         | \$ -                               |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**Employees' State Unemployment Fund**  
For the Year Ended September 30, 2020

|  | <u>Actual</u>     | <u>Budget</u>     | Variance<br>Positive<br>(Negative) |
|--|-------------------|-------------------|------------------------------------|
| <b>Revenues</b>                                      |                   |                   |                                    |
| Other income   | \$ 4,784          | \$ -              | \$ 4,784                           |
| <b>Expenditures</b>                                  |                   |                   |                                    |
| Benefit payments                                     | 4,384             | 10,000            | 5,616                              |
| Excess (deficiency) of revenues over<br>expenditures | 400               | (10,000)          | 10,400                             |
| Fund balances, beginning of year                     | 431,359           | 431,359           | -                                  |
| Fund balances, end of year                           | <u>\$ 431,759</u> | <u>\$ 421,359</u> | <u>\$ 10,400</u>                   |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**City Bicentennial Trust Fund**  
For the Year Ended September 30, 2020

|   | Actual    | Budget    | Variance<br>Positive<br>(Negative) |
|---|-----------|-----------|------------------------------------|
| <b>Revenues</b>                                   |           |           |                                    |
| Other income                                      | \$ 111    | \$ -      | \$ 111                             |
| <b>Expenditures</b>                               |           |           |                                    |
| Benefit payments                                  | -         | -         | -                                  |
| Excess (deficiency) of revenues over expenditures | 111       | -         | 111                                |
| Fund balances, beginning of year                  | 33,151    | 33,151    | -                                  |
| Fund balances, end of year                        | \$ 33,262 | \$ 33,151 | \$ 111                             |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budget Basis**  
**Baseball Capital Maintenance Fund**  
For the Year Ended September 30, 2020

|   | Actual    | Budget    | Variance<br>Positive<br>(Negative) |
|---|-----------|-----------|------------------------------------|
| <b>Revenues</b>                                   |           |           |                                    |
| Other income                                      | \$ 27,780 | \$ 25,000 | \$ 2,780                           |
| <b>Expenditures</b>                               |           |           |                                    |
| Maintenance payments                              | 33,624    | 50,000    | 16,376                             |
| Excess (deficiency) of revenues over expenditures | (5,844)   | (25,000)  | 19,156                             |
| <b>Other financial sources (uses)</b>             |           |           |                                    |
| Transfers in                                      | -         | 25,000    | (25,000)                           |
| Transfers out                                     | -         | -         | -                                  |
| Total other financial sources (uses)              | -         | 25,000    | (25,000)                           |
| Fund balances, beginning of year                  | 25,172    | 25,172    | -                                  |
| Fund balances, end of year                        | \$ 19,328 | \$ 25,172 | \$ 19,156                          |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budget Basis**  
**Capital Projects Funds**  
For the Year Ended September 30, 2020

|  | General<br>Capital<br>Projects<br>Fund | 2000 GO<br>Capital<br>Projects<br>Bond Fund | 2003 GO<br>Capital<br>Projects<br>Bond Fund | 2002 TIF<br>Capital<br>Projects<br>Bond Fund | Wal-Mart<br>TIF I & II<br>Projects<br>Fund | 2014 GO<br>Capital<br>Projects<br>Bond Fund | 2017 GO<br>Capital<br>Projects<br>Bond Fund | 2019 GO<br>Capital<br>Projects<br>Bond Fund | Total         | Budget          | Variance<br>Positive<br>(Negative) |
|--|--|---|---|--|--|---|---|---|---------------|-----------------|------------------------------------|
| <b>Revenues</b>  |  |   |   |  |  |   |   |   |               |                 |                                    |
| Intergovernmental  | \$ 28,284,011                          | \$ -  | \$ -  | \$ -   | \$ -                                       | \$ -  | \$ -  | \$ -  | \$ 28,284,011 | \$ 168,602,325  | \$ (140,318,314)                   |
| Other income   | 37,260                                 | 1   | (81)  | 350  | 1,133                                      | 3,433                                       | 6,292                                       | 105,318                                     | 153,706       | -               | 153,706                            |
| Total revenues   | 28,321,271                             | 1   | (81)  | 350  | 1,133                                      | 3,433                                       | 6,292                                       | 105,318                                     | 28,437,717    | 168,602,325     | (140,164,608)                      |
| <b>Expenditures</b>  |  |   |   |  |  |   |   |   |               |                 |                                    |
| Capital projects   | 27,732,704                             | -   | -   | -  | -  | -   | -   | -   | 27,732,704    | 195,489,460     | 167,756,756                        |
| Excess (deficiency) of revenues<br>over expenditures                                     | 588,567                                | 1   | (81)  | 350  | 1,133                                      | 3,433                                       | 6,292                                       | 105,318                                     | 705,013       | (26,887,135)    | 27,592,148                         |
| <b>Other financing sources (uses)</b>  |  |   |   |  |  |   |   |   |               |                 |                                    |
| Loan proceeds  | -                                      | -   | -   | -  | -  | -   | -   | -   | -             | -               | -                                  |
| Bond issue costs   | -                                      | -   | -   | -  | (609)                                      | -   | -   | -   | (609)         | (609)           | -                                  |
| Transfers in   | 6,099,216                              | -   | -   | -  | (4,025)                                    | -   | -   | -   | 6,095,191     | 20,230,485      | (14,135,294)                       |
| Transfers out  | 9,762                                  | -   | -   | -  | -  | (376,073)                                   | (308,382)                                   | (3,482,776)                                 | (4,157,469)   | (14,645,669)    | 10,488,200                         |
| Total other financing<br>sources (uses)  | 6,108,978                              | -   | -   | -  | (4,634)                                    | (376,073)                                   | (308,382)                                   | (3,482,776)                                 | 1,937,113     | 5,584,207       | (3,647,094)                        |
| Excess (deficiency) of revenues<br>and other sources over<br>expenditures and other uses | 6,697,545                              | 1   | (81)  | 350  | (3,501)                                    | (372,640)                                   | (302,090)                                   | (3,377,458)                                 | 2,642,126     | (21,302,928)    | 23,945,054                         |
| Fund balances, beginning of year   | (5,344,177)                            | -   | 4,156                                       | 49,026                                       | 162,115                                    | 455,173                                     | 582,436                                     | 13,921,892                                  | 9,830,621     | 9,830,621       | -                                  |
| Fund balances, end of year   | \$ 1,353,368                           | \$ 1  | \$ 4,075                                    | \$ 49,376                                    | \$ 158,614                                 | \$ 82,533                                   | \$ 280,346                                  | \$ 10,544,434                               | \$ 12,472,747 | \$ (11,472,307) | \$ 23,945,054                      |

See independent auditors' report.

**City of Biloxi, Mississippi**  
**Schedule of Revenues and Expenses Compared to Budget**  
**Water and Sewer Fund**  
For the Year Ended September 30, 2020

|   | Actual            | Budget              | Variance<br>Positive<br>(Negative) |
|---|-------------------|---------------------|------------------------------------|
| <b>Revenues</b>   |                   |                     |                                    |
| Charges for services:   |                   |                     |                                    |
| Water and sewer charges   | \$ 15,790,592     | \$ 15,886,000       | \$ (95,408)                        |
| Keesler Air Force Base, sewer   | 491,389           | 480,000             | 11,389                             |
| Intergovernmental revenues  | 9,016             | -                   | 9,016                              |
| Interest income   | 61,685            | 42,000              | 19,685                             |
| Other income  | 6,765             | -                   | 6,765                              |
| Total revenues  | <u>16,359,447</u> | <u>16,408,000</u>   | <u>(48,553)</u>                    |
| <b>Expenses</b>   |                   |                     |                                    |
| Personal services   | 1,809,275         | 1,889,420           | 80,145                             |
| Contracted services   | 10,994,759        | 11,456,758          | 461,999                            |
| Other services and charges  | 1,811,281         | 2,535,231           | 723,950                            |
| Bond principal  | 578,789           | 620,518             | 41,729                             |
| Interest expense  | 159,656           | 170,850             | 11,194                             |
| Total expenses  | <u>15,353,760</u> | <u>16,672,777</u>   | <u>1,319,017</u>                   |
| Excess (deficiency) of revenues<br>over expenses                                      | 1,005,687         | (264,777)           | 1,270,464                          |
| <b>Other financial sources (uses)</b>   |                   |                     |                                    |
| Transfers out   | (292,642)         | (300,000)           | 7,358                              |
| Total other financial sources (uses)  | <u>(292,642)</u>  | <u>(300,000)</u>    | <u>7,358</u>                       |
| Excess (deficiency) of revenues and other<br>sources over expenditures and other uses | <u>\$ 713,045</u> | <u>\$ (564,777)</u> | <u>\$ 1,277,822</u>                |

*See independent auditors' report.*



**City of Biloxi, Mississippi**  
**Schedule of Revenues and Expenses Compared to Budget**  
**Biloxi Port Fund**  
For the Year Ended September 30, 2020

|   | Actual              | Budget                | Variance<br>Positive<br>(Negative) |
|---|---------------------|-----------------------|------------------------------------|
| <b>Revenues</b>   |                     |                       |                                    |
| Charges for services:   |                     |                       |                                    |
| Harbor fees and rents   | \$ 1,580,249        | \$ 1,745,997          | \$ (165,748)                       |
| Intergovernmental revenues  | 2,101,013           | 3,581,965             | (1,480,952)                        |
| Other income  | 144,153             | 14,000                | 130,153                            |
| Total revenues  | <u>3,825,415</u>    | <u>5,341,962</u>      | <u>(1,516,547)</u>                 |
| <b>Expenses</b>   |                     |                       |                                    |
| Personal services   | 1,214,270           | 1,357,511             | 143,241                            |
| Contracted services   | 441,931             | 497,017               | 55,086                             |
| Other services and charges  | 192,268             | 357,701               | 165,433                            |
| Bond principal  | 280,000             | 280,000               | -                                  |
| Interest expense  | 237,244             | 236,250               | (994)                              |
| Total expenses  | <u>2,365,713</u>    | <u>2,728,479</u>      | <u>362,766</u>                     |
| Excess (deficiency) of revenues<br>over expenses                                      | <u>1,459,702</u>    | <u>2,613,483</u>      | <u>(1,153,781)</u>                 |
| <b>Other financial sources (uses)</b>   |                     |                       |                                    |
| Loan proceeds   | -                   | -                     | -                                  |
| Bond issue costs  | -                   | -                     | -                                  |
| Transfers out   | (1,628,614)         | (5,240,206)           | 3,611,592                          |
| Total other financial sources (uses)  | <u>(1,628,614)</u>  | <u>(5,240,206)</u>    | <u>3,611,592</u>                   |
| Excess (deficiency) of revenues and other<br>sources over expenditures and other uses | <u>\$ (168,912)</u> | <u>\$ (2,626,723)</u> | <u>\$ 2,457,811</u>                |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Revenues and Expenses Compared to Budget**

**Internal Service Funds**

(for self-insured risks)

For the Year Ended September 30, 2020

|  | Liability,<br>Property<br>& Workers<br>Comp. | Employee<br>Medical<br>Claims | Gaming<br>Revenue<br>Interruption | Total             | Budget              | Variance<br>Positive<br>(Negative) |
|--|--|-------------------------------|-----------------------------------|-------------------|---------------------|------------------------------------|
| <b>Revenues</b>  |  |                               |                                   |                   |                     |                                    |
| Charges for services, insurance billings   | \$ 3,930,165                                 | \$ 7,346,694                  | \$ -                              | \$ 11,276,859     | \$ 11,551,500       | \$ (274,641)                       |
| COBRA contributions  | -  | 139,196                       | -                                 | 139,196           | 120,000             | 19,196                             |
| Interest income  | -  | -                             | 936                               | 936               | 1,000               | (64)                               |
| Total revenues   | <u>3,930,165</u>                             | <u>7,485,890</u>              | <u>936</u>                        | <u>11,416,991</u> | <u>11,672,500</u>   | <u>(255,509)</u>                   |
| <b>Expenses</b>  |  |                               |                                   |                   |                     |                                    |
| Insurance and reinsurance  | 2,637,424                                    | 477,021                       | -                                 | 3,114,445         | 2,991,792           | (122,653)                          |
| Claims expense   | 1,292,741                                    | 7,236,254                     | -                                 | 8,528,995         | 9,209,708           | 680,713                            |
| Total expenses   | <u>3,930,165</u>                             | <u>7,713,275</u>              | <u>-</u>                          | <u>11,643,440</u> | <u>12,201,500</u>   | <u>558,060</u>                     |
| Excess of revenues over expenditures   | -  | (227,385)                     | 936                               | (226,449)         | (529,000)           | 302,551                            |
| <b>Other financial sources (uses)</b>  |  |                               |                                   |                   |                     |                                    |
| Transfers in   | -  | 227,385                       | -                                 | 227,385           | -                   | 227,385                            |
| Transfers out  | -  | -                             | -                                 | -                 | -                   | -                                  |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>\$ -</u>                                  | <u>\$ -</u>                   | <u>\$ 936</u>                     | <u>\$ 936</u>     | <u>\$ (529,000)</u> | <u>\$ 529,936</u>                  |

*See independent auditors' report.*



**City of Biloxi, Mississippi**  
**Schedule of Investments – All Funds**  
September 30, 2020

|                                       | Yield | Purchase<br>Date | Maturity<br>Date | Reported<br>Amount   | Fair<br>Value        |
|---------------------------------------|-------|------------------|------------------|----------------------|----------------------|
| <b>Capital Projects Funds</b>         |       |                  |                  |                      |                      |
| 2002 TIF Capital Projects Bond Fund   |       |                  |                  |                      |                      |
| Money Market Fund                     | 1.83% | various          | N/A              | \$ 49,376            | \$ 49,376            |
| 2003 GO Capital Project Fund          |       |                  |                  |                      |                      |
| Money Market Fund                     | 1.96% | various          | N/A              | 4,075                | 4,075                |
| 2017 Wal-Mart TIF Project Fund        |       |                  |                  |                      |                      |
| Money Market Fund                     | 1.64% | various          | N/A              | 108,305              | 108,305              |
| 2014A GO Capital Project Fund         |       |                  |                  |                      |                      |
| Money Market Fund                     | 1.83% | various          | N/A              | 82,533               | 82,533               |
| 2019 GO Capital Project Fund          |       |                  |                  |                      |                      |
| Money Market Fund                     | 2.04% | various          | N/A              | 10,544,434           | 10,544,434           |
| Total investments, governmental funds |       |                  |                  | <u>10,788,723</u>    | <u>10,788,723</u>    |
| <b>Proprietary funds</b>              |       |                  |                  |                      |                      |
| <b>Biloxi Port Fund</b>               |       |                  |                  |                      |                      |
| Money Market Fund                     | 1.83% | various          | N/A              | 71,563               | 71,563               |
| Money Market Fund                     | 1.96% | various          | N/A              | 43,069               | 43,069               |
| Total investments, proprietary funds  |       |                  |                  | <u>114,632</u>       | <u>114,632</u>       |
| Total investments                     |       |                  |                  | <u>\$ 10,903,355</u> | <u>\$ 10,903,355</u> |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Long-Term Debt**  
September 30, 2020

|  | Date Issued | Original Issue | Balance October 1, 2019 | New Issues    | Retirements   | Balance September 30, 2020 | Requirements Year Ended September 30, 2021 | Interest     |
|--|-------------|----------------|-------------------------|---------------|---------------|----------------------------|--|--------------|
| <b>General Obligation Bonds and Notes</b>                          |             |                |                         |               |               |                            |  |              |
| General Obligation Refunding Bonds 2011                            | 10/28/11    | 9,350,000      | 1,570,000               | -             | 380,000       | 1,190,000                  | 390,000                                    | 25,375       |
| General Obligation Bonds of 2012                                   | 04/26/12    | 6,000,000      | 3,585,000               | -             | 395,000       | 3,190,000                  | 410,000                                    | 71,219       |
| General Obligation Bonds of 2014                                   | 01/14/14    | 14,000,000     | 10,005,000              | -             | 10,005,000    | -                          | -  | -            |
| Mississippi Development Bank Special Obligation Bonds, Series 2014 | 02/24/14    | 21,000,000     | 17,780,000              | -             | 17,780,000    | -                          | -  | -            |
| General Obligation Bonds, Series 2017                              | 03/15/17    | 7,000,000      | 6,260,000               | -             | 390,000       | 5,870,000                  | 400,000                                    | 172,275      |
| General Obligation Bonds of 2019                                   | 02/08/19    | 14,000,000     | 14,000,000              | -             | 490,000       | 13,510,000                 | 505,000                                    | 495,725      |
| General Obligation Bonds, Series 2020                              | 06/08/20    | 8,662,000      | -                       | 8,662,000     | -             | 8,662,000                  | 989,000                                    | 181,541      |
| General Obligation Bonds, Series 2020A                             | 06/08/20    | 16,206,000     | -                       | 16,206,000    | -             | 16,206,000                 | 1,155,000                                  | 432,520      |
| Total General Obligation Bonds and Notes                           |             |                | 53,200,000              | 24,868,000    | 29,440,000    | 48,628,000                 | 3,849,000                                  | 1,378,655    |
| <b>Limited Obligation Bonds and Notes</b>                          |             |                |                         |               |               |                            |  |              |
| Mississippi Development Authority Loan                             | 11/01/01    | 500,000        | 87,231                  | -             | 87,231        | -                          | -  | -            |
| Tax Increment Junior Lien Limited Obligation Bonds, Series 2014    | 06/26/14    | 1,995,000      | 1,682,500               | -             | 21,854        | 1,660,646                  | 140,000                                    | 49,654       |
| Tax Increment Limited Obligation Refunding Bonds, Series, 2016     | 08/10/16    | 21,020,000     | 18,075,000              | -             | 1,665,000     | 16,410,000                 | 1,745,000                                  | 750,000      |
| Tax Increment Limited Obligation Refunding Bonds, Series, 2017     | 03/01/17    | 1,081,400      | 937,139                 | -             | 74,539        | 862,600                    | 78,232                                     | 43,132       |
| Tax Increment Limited Obligation Wal-Mart Bonds, Series, 2019      | 09/23/19    | 1,418,600      | 1,418,600               | -             | 106,670       | 1,311,930                  | 113,272                                    | 81,208       |
| Total Limited Obligation Bonds and Notes                           |             |                | 22,200,470              | -             | 1,955,294     | 20,245,176                 | 2,076,504                                  | 923,994      |
| <b>Other General Long-Term Debt</b>                                |             |                |                         |               |               |                            |  |              |
| Lease/Purchase, Hancock Bank                                       | 04/05/16    | 1,984,837      | 1,623,178               | -             | 187,100       | 1,436,078                  | 191,409                                    | 31,797       |
| Lease/Purchase, Hancock Bank                                       | 06/30/18    | 589,119        | 470,174                 | -             | 112,492       | 357,682                    | 115,794                                    | 10,502       |
| Lease/Purchase AXON  | 12/03/18    | 14,000         | 11,200                  | -             | 2,800         | 8,400                      | 2,800                                      | -            |
| Lease/Purchase Metrix Solutions                                    | 01/18/19    | 36,400         | 18,200                  | -             | 4,550         | 13,650                     | 4,550                                      | -            |
| Lease/Purchase, Fire Station                                       | 07/20/18    | 4,250,000      | -                       | 4,250,000     | 451,258       | 3,798,742                  | 233,844                                    | 137,894      |
| Total Other General Long-Term Debt                                 |             |                | 2,122,752               | 4,250,000     | 758,200       | 5,614,552                  | 548,397                                    | 180,193      |
| Total General Long-Term Debt                                       |             |                | 77,523,222              | 29,118,000    | 32,153,494    | 74,487,728                 | 6,473,901                                  | 2,482,842    |
| <b>Proprietary Funds Debt</b>                                      |             |                |                         |               |               |                            |  |              |
| Water and sewer pollution control loans                            | 1998-2017   | 11,482,697     | 8,414,748               | -             | 524,827       | 7,889,921                  | 509,983                                    | 134,071      |
| Drinking Water Improvement Loan                                    | 11/03/11    | 1,133,861      | 819,406                 | -             | 53,962        | 765,444                    | 55,024                                     | 14,436       |
| Limited Tax Port Bonds, Series 2017                                | 08/01/17    | 7,500,000      | 6,970,000               | -             | 280,000       | 6,690,000                  | 290,000                                    | 223,844      |
| Total Proprietary Funds Debt                                       |             |                | 16,204,154              | -             | 858,789       | 15,345,365                 | 855,007                                    | 372,351      |
| Totals   |             |                | \$ 93,727,376           | \$ 29,118,000 | \$ 33,012,283 | \$ 89,833,093              | \$ 7,328,908                               | \$ 2,855,193 |

*See independent auditors' report.*

**City of Biloxi, Mississippi**  
**Schedule of Surety Bonds for Municipal Officials**  
**And Other Municipal Employees**

| <u>Name</u>          | <u>Position</u>              | <u>Company</u>                              | <u>Bond</u> |
|----------------------|------------------------------|---|-------------|
| Andrew Gilich        | Mayor                        | Fidelity and Deposit<br>Company of Maryland | \$ 100,000  |
| George Lawrence      | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Felix Gines          | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Dixie Newman         | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Robert L. Deming III | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Paul A. Tisdale      | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Kenny Glavan         | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Nathan Barrett       | Councilman                   | Fidelity and Deposit<br>Company of Maryland | 100,000     |
| Diana Thornton       | Controller/Acctg.<br>Manager | Fidelity and Deposit<br>Company of Maryland | 50,000      |
| Stacy Thacker        | City Clerk/<br>Tax Collector | Fidelity and Deposit<br>Company of Maryland | 50,000      |
| David J. Leckich     | Court Clerk                  | Fidelity and Deposit<br>Company of Maryland | 50,000      |
| John Miller          | Director of Police           | Fidelity and Deposit<br>Company of Maryland | 50,000      |

**Note** – In addition to the Surety Bond Coverage detailed above, all employees are covered under a \$1,000,000 Honesty Blanket Bond.

*See independent auditors' report.*



**SECTION III**  
**STATISTICAL SECTION**





This part of the City of Biloxi's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <b>Schedules of:</b>   | <b>Page</b> |
|--|-------------|
| <b>Financial Trends</b>  | 96          |
| These schedules contain trend information to help the reader understand how the City of Biloxi's financial performance and well-being have changed over time.  |             |
| <b>Revenue Capacity</b>  | 101         |
| These schedules contain information to help the reader assess the City of Biloxi's most significant local revenue sources.   |             |
| <b>Debt Capacity</b>   | 104         |
| These schedules present information to help the reader assess the affordability of the City of Biloxi's current levels of outstanding debt and the City's ability to issue additional debt in the future.                    |             |
| <b>Demographic and Economic Information</b>  | 109         |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Biloxi's financial activities take place.   |             |
| <b>Operating Information</b>   | 111         |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City of Biloxi's financial report relates to the services the City provides and the activities it performs. |             |

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

**Schedule 1**  
**City of Biloxi**  
**Net Position by Component**  
**Last Ten Fiscal Years**

|   | <b>Fiscal Year</b>    |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>2020</b>           | <b>2019</b>           | <b>2018</b>           | <b>2017</b>           |
| Governmental activities                     |                       |                       |                       |                       |
| Net investment in capital                   |                       |                       |                       |                       |
| assets                                      | \$ 286,626,937        | \$ 284,853,022        | \$ 280,488,570        | \$ 267,558,596        |
| Restricted                                  | 25,119,151            | 17,622,454            | 20,356,979            | 20,713,082            |
| Unrestricted                                | <u>(67,264,174)</u>   | <u>(64,043,500)</u>   | <u>(74,199,393)</u>   | <u>(79,270,432)</u>   |
| Total governmental activities net position  | <u>\$ 244,481,914</u> | <u>\$ 238,431,976</u> | <u>\$ 226,646,156</u> | <u>\$ 209,001,246</u> |
| Business-type activities                    |                       |                       |                       |                       |
| Net investment in capital                   |                       |                       |                       |                       |
| assets                                      | \$ 319,278,547        | \$ 301,144,479        | \$ 277,005,821        | \$ 250,466,451        |
| Restricted                                  | 114,632               | 127,734               | 338,277               | 453,091               |
| Unrestricted                                | <u>(8,696,451)</u>    | <u>(2,402,336)</u>    | <u>574,454</u>        | <u>(644,554)</u>      |
| Total business-type activities net position | <u>\$ 310,696,728</u> | <u>\$ 298,869,877</u> | <u>\$ 277,918,552</u> | <u>\$ 250,274,988</u> |
| Primary government                          |                       |                       |                       |                       |
| Invested in capital assets, net             |                       |                       |                       |                       |
| of related debt                             | \$ 605,905,484        | \$ 585,997,501        | \$ 557,494,391        | \$ 518,025,047        |
| Restricted                                  | 25,233,783            | 17,750,188            | 20,695,256            | 21,166,173            |
| Unrestricted                                | <u>(75,960,625)</u>   | <u>(66,445,836)</u>   | <u>(73,624,939)</u>   | <u>(79,914,986)</u>   |
| Total primary government net position       | <u>\$ 555,178,642</u> | <u>\$ 537,301,853</u> | <u>\$ 504,564,708</u> | <u>\$ 459,276,234</u> |

| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2016                  | 2015                  | 2014                  | 2013                  | 2012                  | 2011                  |
| \$ 248,526,060        | \$ 257,368,270        | \$ 208,874,271        | \$ 217,689,178        | \$ 198,377,139        | \$ 202,599,253        |
| 40,456,498            | 18,852,464            | 55,596,738            | 26,040,170            | 38,699,539            | 25,272,915            |
| (78,312,737)          | (32,015,576)          | 8,230,037             | 13,068,206            | 4,992,905             | 9,779,655             |
| <u>\$ 210,669,821</u> | <u>\$ 244,205,158</u> | <u>\$ 272,701,046</u> | <u>\$ 256,797,554</u> | <u>\$ 242,069,583</u> | <u>\$ 237,651,823</u> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 229,459,737        | \$ 206,221,705        | \$ 144,899,350        | \$ 129,653,322        | \$ 100,198,366        | \$ 78,380,815         |
| 870,327               | 857,460               | 851,135               | 844,640               | 837,393               | 1,101,967             |
| 4,596,884             | (3,890,299)           | (2,192,026)           | (6,921,099)           | (3,011,177)           | 4,528,206             |
| <u>\$ 234,926,948</u> | <u>\$ 203,188,866</u> | <u>\$ 143,558,459</u> | <u>\$ 123,576,863</u> | <u>\$ 98,024,582</u>  | <u>\$ 84,010,988</u>  |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 477,985,797        | \$ 463,589,975        | \$ 353,773,621        | \$ 347,342,500        | \$ 298,575,505        | \$ 280,980,068        |
| 41,326,825            | 19,709,924            | 56,447,873            | 26,884,810            | 39,536,932            | 26,374,882            |
| (73,715,853)          | (35,905,875)          | 6,038,011             | 6,147,107             | 1,981,728             | 14,307,861            |
| <u>\$ 445,596,769</u> | <u>\$ 447,394,024</u> | <u>\$ 416,259,505</u> | <u>\$ 380,374,417</u> | <u>\$ 340,094,165</u> | <u>\$ 321,662,811</u> |

**Schedule 2**  
**City of Biloxi**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

|   | <b>Fiscal Year</b>    |                      |                      |                      |
|---|-----------------------|----------------------|----------------------|----------------------|
|   | <b>2020</b>           | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          |
| <b>Expenses</b>                                 |                       |                      |                      |                      |
| Governmental activities:                        |                       |                      |                      |                      |
| General government                              | \$ 9,229,650          | \$ 9,049,952         | \$ 6,374,089         | \$ 7,259,290         |
| Parks and recreation                            | 6,670,266             | 6,777,956            | 6,253,845            | 7,190,837            |
| Public safety                                   | 41,723,847            | 39,005,069           | 32,266,925           | 43,780,267           |
| Public works                                    | 14,556,340            | 12,409,377           | 10,484,494           | 6,323,687            |
| Community development                           | 5,451,408             | 4,584,615            | 4,984,812            | 5,828,172            |
| Unallocated depreciation, infrastructure        | 3,253,629             | 3,220,865            | 3,024,148            | 2,945,644            |
| Interest and other, long-term debt              | 2,981,649             | 2,406,688            | 2,715,139            | 3,479,745            |
| Total governmental activities expenses          | <u>83,866,789</u>     | <u>77,454,522</u>    | <u>66,103,452</u>    | <u>76,807,642</u>    |
| Business-type activities:                       |                       |                      |                      |                      |
| Water & Sewer                                   | 17,131,002            | 16,557,960           | 15,621,235           | 16,759,445           |
| Biloxi Port Fund                                | 3,936,863             | 3,797,116            | 3,685,904            | 3,752,552            |
| Point Cadet Development Corporation             | -                     | -                    | -                    | -                    |
| Total business-type activities expenses         | <u>21,067,865</u>     | <u>20,355,076</u>    | <u>19,307,139</u>    | <u>20,511,997</u>    |
| Total primary government expenses               | <u>\$ 104,934,654</u> | <u>\$ 97,809,598</u> | <u>\$ 85,410,591</u> | <u>\$ 97,319,639</u> |
| <b>Program Revenues</b>                         |                       |                      |                      |                      |
| Governmental activities:                        |                       |                      |                      |                      |
| Charges for services:                           |                       |                      |                      |                      |
| General government                              | \$ 1,057              | \$ 927               | \$ 24,132            | \$ 1,842             |
| Parks and recreation                            | 85,183                | 309,743              | 302,002              | 506,792              |
| Public safety                                   | 521,953               | 538,111              | 667,630              | 791,412              |
| Public works                                    | 2,375,627             | 2,276,973            | 2,175,464            | 2,000,412            |
| Community development                           | 6,304,438             | 6,173,836            | 6,608,267            | 6,699,602            |
| Operating grants and contributions              | 5,831,483             | 1,318,071            | 1,103,891            | 1,388,921            |
| Capital grants and contributions                | 8,582,898             | 9,401,559            | 6,587,329            | 1,145,216            |
| Total governmental activities program reviews   | <u>23,702,639</u>     | <u>20,019,220</u>    | <u>17,468,715</u>    | <u>12,534,197</u>    |
| Business-type activities:                       |                       |                      |                      |                      |
| Charges for services:                           |                       |                      |                      |                      |
| Water & Sewer                                   | 17,063,145            | 17,051,617           | 16,636,767           | 14,260,112           |
| Biloxi Port Fund                                | 1,629,793             | 1,798,528            | 1,824,125            | 1,730,769            |
| Point Cadet Development Corporation             | 6,600                 | 6,600                | 6,286                | (150,870)            |
| Capital grants and contributions                | 18,891,190            | 27,790,851           | 28,733,189           | 25,551,529           |
| Total business-type activities program revenues | <u>37,590,728</u>     | <u>46,647,596</u>    | <u>47,200,367</u>    | <u>41,391,540</u>    |
| Total primary government program revenues       | <u>\$ 61,293,367</u>  | <u>\$ 66,666,816</u> | <u>\$ 64,669,082</u> | <u>\$ 53,925,737</u> |

| Fiscal Year    |                |               |               |               |               |
|----------------|----------------|---------------|---------------|---------------|---------------|
| 2016           | 2015           | 2014          | 2013          | 2012          | 2011          |
| \$ 9,525,710   | \$ 7,336,275   | \$ 5,789,900  | \$ 5,749,015  | \$ 5,024,709  | \$ 5,769,907  |
| 9,182,682      | 7,099,970      | 6,920,693     | 5,999,954     | 5,216,154     | 5,243,857     |
| 56,940,216     | 36,471,601     | 36,417,140    | 34,082,368    | 34,096,575    | 33,274,315    |
| 13,364,740     | 10,485,934     | 10,652,115    | 11,876,265    | 10,500,823    | 11,023,132    |
| 7,056,238      | 5,350,968      | 3,861,583     | 6,720,748     | 4,546,745     | 4,488,481     |
| 2,925,560      | 2,856,092      | 3,043,524     | 2,630,920     | 2,642,780     | 2,630,916     |
| 3,527,824      | 3,820,370      | 2,161,010     | 2,766,751     | 2,499,336     | 2,600,008     |
| 102,522,970    | 73,421,210     | 68,845,965    | 69,826,021    | 64,527,122    | 65,030,616    |
| 17,391,156     | 16,266,519     | 15,459,099    | 14,236,840    | 14,605,675    | 14,810,503    |
| 3,569,829      | 3,326,433      | 2,973,079     | 2,547,550     | 1,770,860     | 1,659,485     |
| 52,526         | -              | 200,000       | -             | -             | -             |
| 21,013,511     | 19,592,952     | 18,632,178    | 16,784,390    | 16,376,535    | 16,469,988    |
| \$ 123,536,481 | \$ 93,014,162  | \$ 87,478,143 | \$ 86,610,411 | \$ 80,903,657 | \$ 81,500,604 |
| \$ 1,021       | \$ 4,513       | \$ 675        | \$ 844        | \$ 715        | \$ 662        |
| 518,901        | 529,834        | 523,550       | 529,679       | 544,357       | 482,485       |
| 1,143,445      | 1,461,704      | 1,222,643     | 1,175,149     | 1,576,015     | 1,463,649     |
| 1,836,265      | 1,438,371      | 1,455,771     | 1,419,928     | 1,433,888     | 1,367,422     |
| 4,234,070      | 5,719,830      | 4,167,428     | 4,988,389     | 4,673,921     | 4,790,107     |
| 1,383,902      | 1,467,196      | 902,346       | 2,310,684     | 1,481,036     | 1,437,584     |
| 11,325,347     | 18,093,700     | 43,981,867    | 30,528,891    | 20,131,998    | 25,576,003    |
| 20,442,951     | 28,715,148     | 52,254,280    | 40,953,564    | 29,841,930    | 35,117,912    |
| 13,996,845     | 14,723,045     | 14,120,797    | 13,755,104    | 13,948,734    | 14,714,317    |
| 1,684,784      | 1,698,409      | 1,477,090     | 1,338,749     | 1,386,143     | 1,523,162     |
| 24,624         | 21,909         | 24,929        | 23,847        | 25,330        | 22,668        |
| 28,926,201     | 64,270,784     | 1,939,175     | 4,450,601     | 1,287,599     | 477,166       |
| 44,632,454     | 80,714,147     | 17,561,991    | 19,568,301    | 16,647,806    | 16,737,313    |
| \$ 65,075,405  | \$ 109,429,295 | \$ 69,816,271 | \$ 60,521,865 | \$ 46,489,736 | \$ 51,855,225 |

**Schedule 2**  
**City of Biloxi**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

|                                       | Fiscal Year            |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                       | 2020                   | 2019                   | 2018                   | 2017                   |
| <b>Net (Expense)/Revenue</b>          |                        |                        |                        |                        |
| Governmental activities               | \$ (60,164,150)        | \$ (57,435,302)        | \$ (48,634,737)        | \$ (64,273,445)        |
| Business-type activities              | 16,522,863             | 26,292,520             | 27,893,228             | 20,879,543             |
| Total primary government net expense  | <u>\$ (43,641,287)</u> | <u>\$ (31,142,782)</u> | <u>\$ (20,741,509)</u> | <u>\$ (43,393,902)</u> |
| <b>General Revenues and Other</b>     |                        |                        |                        |                        |
| <b>Changes In Net Position</b>        |                        |                        |                        |                        |
| Governmental activities:              |                        |                        |                        |                        |
| Taxes                                 |                        |                        |                        |                        |
| Property taxes                        | \$ 19,124,398          | \$ 19,607,313          | \$ 19,563,266          | \$ 18,907,572          |
| Intergovernmental, unrestricted       | 14,275,767             | 15,838,483             | 15,612,569             | 15,292,626             |
| Gaming taxes                          | 16,595,123             | 20,481,131             | 19,182,154             | 18,612,052             |
| Other taxes                           | 456,551                | 466,920                | 447,319                | 315,059                |
| Unrestricted grants and contributions | 6,422,986              | 4,149,612              | 8,148,431              | 1,312,816              |
| Unrestricted investment earnings      | 351,250                | 891,890                | 591,592                | 416,696                |
| Gain (Loss) on sale of capital assets | -                      | -                      | -                      | -                      |
| Miscellaneous                         | 3,642,841              | 1,635,017              | 1,831,539              | 1,959,247              |
| Transfers                             | 5,345,172              | 6,150,756              | 902,777                | 5,788,802              |
| Special item                          |                        |                        |                        |                        |
| Community Disaster Loan forgiveness   | -                      | -                      | -                      | -                      |
| Total governmental activities         | <u>66,214,088</u>      | <u>69,221,122</u>      | <u>66,279,647</u>      | <u>62,604,870</u>      |
| Business-type activities:             |                        |                        |                        |                        |
| Property taxes                        | 531,848                | 518,810                | 504,065                | 216,908                |
| Investment earnings                   | 117,310                | 290,751                | 149,048                | 40,391                 |
| Gain (Loss) on sale of capital assets | -                      | -                      | -                      | -                      |
| Transfers                             | (5,345,172)            | (6,150,756)            | (902,777)              | (5,788,802)            |
| Total business-type activities        | <u>(4,696,014)</u>     | <u>(5,341,195)</u>     | <u>(249,664)</u>       | <u>(5,531,503)</u>     |
| Total primary government              | <u>\$ 61,518,074</u>   | <u>\$ 63,879,927</u>   | <u>\$ 66,029,983</u>   | <u>\$ 57,073,367</u>   |
| <b>Change in Net Position</b>         |                        |                        |                        |                        |
| Governmental activities               | 6,049,938              | 11,785,820             | 17,644,910             | (1,668,575)            |
| Business-type activities              | <u>11,826,849</u>      | <u>20,951,325</u>      | <u>27,643,564</u>      | <u>15,348,040</u>      |
| Total primary government              | <u>\$ 17,876,787</u>   | <u>\$ 32,737,145</u>   | <u>\$ 45,288,474</u>   | <u>\$ 13,679,465</u>   |

| Fiscal Year            |                      |                        |                        |                        |                        |
|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| 2016                   | 2015                 | 2014                   | 2013                   | 2012                   | 2011                   |
| \$ (82,080,019)        | \$ (44,706,062)      | \$ (16,591,685)        | \$ (28,872,457)        | \$ (34,685,192)        | \$ (29,912,704)        |
| 23,618,943             | 61,121,195           | (1,070,187)            | 2,783,911              | 271,271                | 267,325                |
| <u>\$ (58,461,076)</u> | <u>\$ 16,415,133</u> | <u>\$ (17,661,872)</u> | <u>\$ (26,088,546)</u> | <u>\$ (34,413,921)</u> | <u>\$ (29,645,379)</u> |
|                        |                      |                        |                        |                        |                        |
| \$ 18,168,228          | \$ 18,219,645        | \$ 18,061,043          | \$ 18,065,315          | \$ 17,894,495          | \$ 18,000,323          |
| 14,704,912             | 14,970,468           | 14,493,067             | 13,915,324             | 13,380,910             | 13,155,811             |
| 18,777,762             | 19,506,630           | 18,805,326             | 18,878,204             | 18,958,797             | 19,617,237             |
| 454,317                | 490,324              | 519,032                | 544,906                | 448,154                | 1,445,804              |
| 1,290,476              | 1,200,000            | 1,200,000              | 1,200,000              | 1,543,637              | 1,200,000              |
| 106,382                | 51,589               | 20,333                 | 49,425                 | 216,010                | 274,424                |
| 1,579,443              | -                    | -                      | -                      | -                      | -                      |
| 1,361,581              | 6,737,333            | 210,985                | 413,597                | 151,675                | 472,894                |
| (7,898,419)            | 1,338,779            | (20,814,599)           | (22,519,734)           | (13,490,726)           | (9,669,689)            |
| -                      | -                    | -                      | 13,053,391             | -                      | -                      |
| <u>48,544,682</u>      | <u>62,514,768</u>    | <u>32,495,187</u>      | <u>43,600,428</u>      | <u>39,102,952</u>      | <u>44,496,804</u>      |
|                        |                      |                        |                        |                        |                        |
| 227,756                | 222,064              | 223,650                | 230,264                | 223,269                | 223,343                |
| (6,568)                | (11,228)             | 13,534                 | 18,373                 | 28,328                 | 11,398                 |
| (468)                  | -                    | -                      | -                      | -                      | -                      |
| <u>7,898,419</u>       | <u>(1,338,779)</u>   | <u>20,814,599</u>      | <u>22,519,734</u>      | <u>13,490,726</u>      | <u>9,669,689</u>       |
| <u>8,119,139</u>       | <u>(1,127,943)</u>   | <u>21,051,783</u>      | <u>22,768,371</u>      | <u>13,742,323</u>      | <u>9,904,430</u>       |
| <u>\$ 56,663,821</u>   | <u>\$ 61,386,825</u> | <u>\$ 53,546,970</u>   | <u>\$ 66,368,799</u>   | <u>\$ 52,845,275</u>   | <u>\$ 54,401,234</u>   |
|                        |                      |                        |                        |                        |                        |
| \$ (33,535,337)        | \$ 17,808,706        | \$ 15,903,492          | \$ 14,727,971          | \$ 4,417,760           | \$ 14,584,100          |
| <u>31,738,082</u>      | <u>59,993,252</u>    | <u>19,981,596</u>      | <u>25,552,282</u>      | <u>14,013,594</u>      | <u>10,171,755</u>      |
| <u>\$ (1,797,255)</u>  | <u>\$ 77,801,958</u> | <u>\$ 35,885,088</u>   | <u>\$ 40,280,253</u>   | <u>\$ 18,431,354</u>   | <u>\$ 24,755,855</u>   |



**Schedule 3**  
**City of Biloxi**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|   | <b>Fiscal Year</b>   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          |
| General Fund  |                      |                      |                      |                      |
| Reserved  | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved  | -                    | -                    | -                    | -                    |
| Nonspendable  |                      |                      |                      |                      |
| Prepays   | \$ 1,084,042         | \$ 927,896           | \$ 932,438           | \$ 951,340           |
| Restricted for                                      |                      |                      |                      |                      |
| Public safety                                       | 619,528              | 554,418              | 548,524              | 550,179              |
| Economic Development                                | 4,309,268            | 4,346,022            | 4,285,203            | 4,244,739            |
| Committed for                                       |                      |                      |                      |                      |
| Capital improvements                                |                      |                      | -                    | -                    |
| Unassigned  | 4,101,000            | 9,488,991            | 9,084,355            | 7,212,057            |
| Total general fund                                  | <u>\$ 10,113,838</u> | <u>\$ 15,317,327</u> | <u>\$ 14,850,520</u> | <u>\$ 12,958,315</u> |
| All other governmental funds                        |                      |                      |                      |                      |
| Reserved  | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved, reported in:                            |                      |                      |                      |                      |
| General Capital Projects Fund                       | -                    | -                    | -                    | -                    |
| Other non-major governmental funds, special revenue | -                    | -                    | -                    | -                    |
| Nonspendable  |                      |                      |                      |                      |
| Prepays   | -                    | -                    | -                    | -                    |
| Restricted for                                      |                      |                      |                      |                      |
| Long-term receivables                               | 805                  | 805                  | 805                  | 805                  |
| Claims  | 431,759              | 431,359              | 420,349              | 416,193              |
| Endowment   | 33,262               | 33,151               | 32,230               | 31,621               |
| Maintenance   | 19,328               | 25,172               | 106,805              | 96,859               |
| Capital Improvements                                | 10,544,434           | 14,084,007           | -                    | -                    |
| Committed for                                       |                      |                      |                      |                      |
| Grant expenditures                                  | -                    | -                    | -                    | -                    |
| Capital improvements                                | 19,430,577           | 12,615,270           | 15,500,026           | 6,898,472            |
| Debt service  | 5,035,783            | 4,419,615            | 4,276,199            | 13,232,810           |
| Unassigned  | -                    | -                    | -                    | 19,763               |
| Total all other governmental funds                  | <u>\$ 35,495,948</u> | <u>\$ 31,609,379</u> | <u>\$ 20,336,414</u> | <u>\$ 20,696,523</u> |

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    |
| \$ 963,537           | 1,184,022            | 1,038,687            | 1,606,357            | 1,885,369            | 1,271,971            |
| 1,685,814            | 1,696,553            | 2,118,923            | 2,283,789            | 2,147,890            | 2,304,194            |
| 4,086,319            | -                    | -                    | -                    | -                    | -                    |
| 125,000              | 249,706              | 603,424              | 603,424              | 961,111              | 2,437,365            |
| 6,972,893            | 9,586,517            | 3,765,031            | 7,281,575            | 10,996,461           | 13,093,202           |
| <u>\$ 13,833,563</u> | <u>\$ 12,716,798</u> | <u>\$ 7,526,065</u>  | <u>\$ 11,775,145</u> | <u>\$ 15,990,831</u> | <u>\$ 19,106,732</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | 3,500,146            |
| 805                  | 1,211                | 12,337               | 71,091               | 72,253               | 73,857               |
| 418,879              | 424,226              | 424,796              | 436,755              | -                    | -                    |
| 31,267               | 31,101               | 31,028               | 30,959               | 30,888               | 30,649               |
| 75,000               | 25,000               | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| (1,363)              | 92,678               | 42,899               | -                    | -                    | -                    |
| 5,744,465            | 8,488,554            | 34,680,797           | 6,207,516            | 16,100,494           | 9,027,355            |
| 28,291,117           | 16,333,200           | 17,694,871           | -                    | -                    | -                    |
| -                    | -                    | -                    | 16,447,973           | 19,755,268           | 10,786,211           |
| <u>\$ 34,560,170</u> | <u>\$ 25,395,970</u> | <u>\$ 52,886,728</u> | <u>\$ 23,194,294</u> | <u>\$ 35,958,903</u> | <u>\$ 23,418,218</u> |

**Schedule 4**  
**City of Biloxi**  
**Changes in Fund Balance,**  
**Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|   | Fiscal Year           |                      |                     |                        |
|---|-----------------------|----------------------|---------------------|------------------------|
|   | 2020                  | 2019                 | 2018                | 2017                   |
| <b>Revenues</b>   |                       |                      |                     |                        |
| Taxes   | \$ 19,124,398         | \$ 19,557,313        | \$ 19,563,266       | \$ 18,907,571          |
| Licenses and permits  | 3,863,103             | 4,294,544            | 4,110,012           | 3,786,236              |
| Intergovernmental   | 41,435,936            | 46,855,037           | 45,558,733          | 35,113,650             |
| Charges for services  | 2,593,234             | 2,762,400            | 2,611,627           | 2,441,251              |
| Fines   | 506,829               | 515,209              | 595,810             | 690,726                |
| Other   | 9,181,979             | 7,276,432            | 7,755,183           | 7,970,904              |
| Total revenues  | <u>76,705,479</u>     | <u>81,260,935</u>    | <u>80,194,631</u>   | <u>68,910,338</u>      |
| <b>Expenditures</b>   |                       |                      |                     |                        |
| General government  | 6,911,132             | 6,919,407            | 6,091,792           | 6,041,295              |
| Parks and recreation  | 3,790,491             | 4,493,768            | 4,475,474           | 4,570,845              |
| Public safety   | 38,692,806            | 32,712,225           | 31,612,621          | 32,582,032             |
| Public works  | 9,793,803             | 9,962,187            | 9,768,123           | 9,252,707              |
| Community development                                       | 4,673,858             | 4,250,795            | 4,648,283           | 4,508,389              |
| Non-departmental  | 2,813,284             | 3,618,071            | 2,456,249           | 3,029,185              |
| Capital outlay  | 12,521,003            | 20,625,531           | 12,658,595          | 5,636,801              |
| Debt service:   |                       |                      |                     |                        |
| Principal   | 5,565,861             | 5,828,136            | 5,482,464           | 28,774,732             |
| Interest  | 2,627,338             | 2,923,074            | 2,945,434           | 3,600,567              |
| Bond issue costs  | 609                   | 301,591              | -                   | 120,213                |
| Total expenditures  | <u>87,390,185</u>     | <u>91,634,785</u>    | <u>80,139,035</u>   | <u>98,116,766</u>      |
| Excess of revenues over<br>(under) expenditures             | (10,684,706)          | (10,373,850)         | 55,596              | (29,206,428)           |
| <b>Other Financing Sources (Uses)</b>                       |                       |                      |                     |                        |
| Issuance of bonds   | -                     | 16,039,208           | -                   | -                      |
| Payment to refunded bond<br>escrow agent                    | -                     | -                    | -                   | -                      |
| Issuance of notes   | -                     | -                    | 589,119             | 8,189,777              |
| Capital lease   | 4,250,000             | 29,400               | -                   | 488,957                |
| Transfers in  | 9,502,641             | 12,029,985           | 2,198,610           | 5,397,819              |
| Transfers out   | (4,384,854)           | (5,984,971)          | (1,311,230)         | 390,980                |
| Total other financing sources (uses)                        | <u>9,367,787</u>      | <u>22,113,622</u>    | <u>1,476,499</u>    | <u>14,467,533</u>      |
| Net change in fund balances                                 | <u>\$ (1,316,919)</u> | <u>\$ 11,739,772</u> | <u>\$ 1,532,095</u> | <u>\$ (14,738,895)</u> |
| Debt services as a percentage<br>of noncapital expenditures | 10.9%                 | 12.3%                | 12.5%               | 35.0%                  |

| Fiscal Year   |               |               |                 |               |                |
|---------------|---------------|---------------|-----------------|---------------|----------------|
| 2016          | 2015          | 2014          | 2013            | 2012          | 2011           |
| \$ 18,168,228 | \$ 18,219,645 | \$ 18,061,043 | \$ 18,065,315   | \$ 17,894,496 | \$ 18,000,327  |
| 3,774,756     | 4,273,811     | 4,105,012     | 3,971,017       | 3,600,317     | 3,972,726      |
| 43,681,963    | 51,886,483    | 65,526,309    | 64,224,966      | 52,759,556    | 59,699,160     |
| 2,321,010     | 1,969,514     | 1,930,054     | 1,900,722       | 1,945,448     | 1,841,049      |
| 1,137,035     | 1,452,446     | 1,582,593     | 1,162,496       | 1,461,955     | 1,336,302      |
| 6,471,534     | 11,467,883    | 3,483,482     | 4,694,793       | 4,188,264     | 4,417,712      |
| 75,554,526    | 89,269,782    | 94,688,493    | 94,019,309      | 81,850,036    | 89,267,276     |
| 5,773,896     | 6,087,561     | 4,841,742     | 5,131,720       | 4,300,384     | 5,101,367      |
| 4,804,100     | 4,740,023     | 4,154,492     | 5,328,234       | 4,870,366     | 4,948,222      |
| 30,515,520    | 31,041,531    | 30,312,720    | 30,479,166      | 29,711,155    | 28,495,792     |
| 9,077,932     | 8,548,707     | 9,008,665     | 8,946,705       | 9,922,377     | 9,383,848      |
| 3,629,617     | 3,436,443     | 3,852,521     | 5,969,673       | 3,838,829     | 3,481,616      |
| 4,263,124     | 3,533,429     | 5,390,673     | 5,066,437       | 4,220,796     | 3,934,012      |
| 21,519,255    | 47,843,061    | 30,460,296    | 18,752,843      | 7,596,960     | 22,807,930     |
| 8,978,476     | 4,707,794     | 4,742,428     | 4,596,677       | 3,520,949     | 4,147,114      |
| 2,926,529     | 3,820,370     | 1,848,628     | 2,426,967       | 2,183,209     | 2,289,344      |
| 601,295       | -             | 623,088       | -               | 419,948       | -              |
| 92,089,744    | 113,758,919   | 95,235,253    | 86,698,422      | 70,584,973    | 84,589,245     |
| (16,535,218)  | (24,489,137)  | 8,952,247     | 7,320,887       | 11,265,063    | 4,678,031      |
| 21,020,000    | -             | 37,305,706    | -               | 9,673,738     | -              |
| 3,592,724     | -             | -             | (3,781,448)     | (5,980,000)   | -              |
| -             | -             | -             | -               | 6,083,655     | -              |
| 1,984,837     | 850,333       | -             | -               | -             | -              |
| 18,360,436    | 26,790,224    | 9,301,508     | 7,217,108       | 2,588,311     | 811,932        |
| (18,141,814)  | (25,451,445)  | (30,116,107)  | (27,736,842)    | (14,205,984)  | (10,481,621)   |
| 26,816,183    | 2,189,112     | 16,491,107    | (24,301,182)    | (1,840,280)   | (9,669,689)    |
| 10,280,965    | (22,300,025)  | \$ 25,443,354 | \$ (16,980,295) | \$ 9,424,783  | \$ (4,991,658) |
| 15.3%         | 12.2%         | 10.2%         | 10.1%           | 9.7%          | 10.4%          |

**Schedule 5**  
**City of Biloxi**  
**Assessed Value and Actual**  
**Value of Taxable Property**  
**Last Ten Fiscal Years**

| <b>Fiscal Year<br/>Ended</b> | <b>Real Property (1)</b>  |                         | <b>Personal Property</b>  |                         |
|------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                              | <b>Assessed<br/>Value</b> | <b>Actual<br/>Value</b> | <b>Assessed<br/>Value</b> | <b>Actual<br/>Value</b> |
| <b>2020</b>                  | \$ 469,807,071            | \$ 3,434,262,215        | \$ 74,655,876             | \$ 497,705,840          |
| <b>2019</b>                  | 465,236,934               | 3,400,854,781           | 73,920,464                | 492,803,093             |
| <b>2018</b>                  | 460,092,505               | 3,363,249,306           | 77,976,228                | 519,841,520             |
| <b>2017</b>                  | 455,364,066               | 3,328,684,693           | 77,307,031                | 515,380,207             |
| <b>2016</b>                  | 445,458,828               | 3,256,277,982           | 78,303,534                | 522,023,560             |
| <b>2015</b>                  | 437,392,996               | 3,197,317,222           | 80,991,055                | 539,940,367             |
| <b>2014</b>                  | 433,584,144               | 3,169,474,737           | 86,086,954                | 573,913,027             |
| <b>2013</b>                  | 435,311,024               | 3,182,098,129           | 82,773,399                | 551,822,660             |
| <b>2012</b>                  | 429,562,389               | 3,140,075,943           | 82,127,814                | 547,518,760             |
| <b>2011</b>                  | 432,803,922               | 3,163,771,360           | 81,961,919                | 546,412,793             |

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

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

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

**Schedule 6**  
**City of Biloxi**  
**Direct and Overlapping**  
**Property Tax Rates**  
**Last Ten Fiscal Years**

| <b>Fiscal Year<br/>Ended</b> | <b>Tax Year</b> | <b>City of Biloxi</b>        |                         |              |
|------------------------------|-----------------|------------------------------|-------------------------|--------------|
|                              |                 | <b>Operating<br/>Millage</b> | <b>Debt<br/>Service</b> | <b>Total</b> |
| <b>2020</b>                  | <b>2019</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2019</b>                  | <b>2018</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2018</b>                  | <b>2017</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2017</b>                  | <b>2016</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2016</b>                  | <b>2015</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2015</b>                  | <b>2014</b>     | 22.40                        | 7.70                    | 30.10        |
| <b>2014</b>                  | <b>2013</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2013</b>                  | <b>2012</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2012</b>                  | <b>2011</b>     | 20.90                        | 9.20                    | 30.10        |
| <b>2011</b>                  | <b>2010</b>     | 20.90                        | 9.20                    | 30.10        |

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

| Utility           |                 | Automobile & Mobile Home |                 | Total             |                  | Ratio of<br>Assessed<br>to Actual |
|-------------------|-----------------|--------------------------|-----------------|-------------------|------------------|-----------------------------------|
| Assessed<br>Value | Actual<br>Value | Assessed<br>Value        | Actual<br>Value | Assessed<br>Value | Actual<br>Value  |                                   |
| \$ 39,659,096     | \$ 264,393,973  | \$ 64,187,495            | \$ 213,958,317  | \$ 648,309,538    | \$ 4,410,320,345 | 14.70%                            |
| 35,684,049        | 237,893,660     | 60,568,620               | 201,895,400     | 635,410,067       | 4,333,446,934    | 14.66%                            |
| 34,595,472        | 230,636,480     | 58,838,308               | 196,127,693     | 631,502,513       | 4,309,854,999    | 14.65%                            |
| 32,306,904        | 215,379,360     | 54,319,069               | 181,063,563     | 619,297,070       | 4,240,507,823    | 14.60%                            |
| 38,420,515        | 256,136,767     | 45,296,808               | 150,989,360     | 607,479,685       | 4,185,427,669    | 14.51%                            |
| 38,662,283        | 257,748,553     | 42,722,799               | 142,409,330     | 599,769,133       | 4,137,415,472    | 14.50%                            |
| 38,561,283        | 257,075,220     | 44,272,817               | 147,576,057     | 602,505,198       | 4,148,039,041    | 14.53%                            |
| 35,325,443        | 235,502,953     | 45,166,010               | 150,553,367     | 598,575,876       | 4,119,977,109    | 14.53%                            |
| 30,756,859        | 205,045,727     | 48,253,043               | 160,843,477     | 590,700,105       | 4,053,483,906    | 14.57%                            |
| 33,429,527        | 222,863,513     | 48,500,401               | 161,668,003     | 596,695,769       | 4,094,715,670    | 14.57%                            |

| Harrison County      |                 |       | Biloxi School District |                 |       | Total<br>Millage | Total City<br>and School |
|----------------------|-----------------|-------|------------------------|-----------------|-------|------------------|--------------------------|
| Operating<br>Millage | Debt<br>Service | Total | Operating<br>Millage   | Debt<br>Service | Total |                  |                          |
| 33.77                | 2.65            | 36.42 | 41.42                  | 1.95            | 43.37 | 109.89           | 73.47                    |
| 33.77                | 2.65            | 36.42 | 41.03                  | 2.34            | 43.37 | 109.89           | 73.47                    |
| 33.55                | 2.87            | 36.42 | 40.42                  | 2.95            | 43.37 | 109.89           | 73.47                    |
| 32.62                | 3.80            | 36.42 | 40.07                  | 3.30            | 43.37 | 109.89           | 73.47                    |
| 32.32                | 4.10            | 36.42 | 39.03                  | 4.34            | 43.37 | 109.89           | 73.47                    |
| 32.13                | 4.10            | 36.23 | 37.96                  | 5.41            | 43.37 | 109.70           | 73.47                    |
| 32.58                | 3.37            | 35.95 | 36.82                  | 6.23            | 43.05 | 109.10           | 73.15                    |
| 32.58                | 3.37            | 35.95 | 35.16                  | 7.89            | 43.05 | 109.10           | 73.15                    |
| 32.58                | 3.37            | 35.95 | 33.78                  | 7.77            | 41.55 | 107.60           | 71.65                    |
| 32.58                | 3.37            | 35.95 | 34.13                  | 7.42            | 41.55 | 107.60           | 71.65                    |

**Schedule 7**  
**City of Biloxi**  
**Principal Property Tax Payers**  
**Current Year and 10 Years Prior**

|                                  | 2020                         |      |   | 2011                         |      |   |
|----------------------------------|------------------------------|------|---|------------------------------|------|---|
|                                  | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>Assessed<br>Valuation | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>Assessed<br>Valuation |
| <b>Taxpayer</b>                  |                              |      |   |                              |      |   |
| Beau Rivage                      | \$ 67,586,890                | 1    | 10.43%  | \$ 72,469,032                | 1    | 12.15%  |
| Mississippi Power                | 37,017,462                   | 2    | 5.71%   | 22,441,957                   | 4    | 3.76%   |
| Imperial Palace                  | 28,457,417                   | 3    | 4.39%   | 34,560,861                   | 2    | 5.79%   |
| Hardrock                         | 22,148,738                   | 4    | 3.42%   | 10,474,665                   | 6    | 1.76%   |
| Golden Nugget / Isle of Capri    | 18,652,976                   | 5    | 2.88%   | 21,610,103                   | 3    | 3.62%   |
| Harrah's / Grand Casino          | 13,841,835                   | 6    | 2.14%   | 18,365,910                   | 5    | 3.08%   |
| Palace                           | 9,568,606                    | 7    | 1.48%   | 7,175,597                    | 7    | 1.20%   |
| American National                | 6,424,998                    | 8    | 0.99%   | 5,860,303                    | 9    | 0.98%   |
| Merit / Biloxi Regional Hospital | 5,851,563                    | 9    | 0.90%   |                              |      |   |
| Boomtown Casino                  | 3,992,965                    | 10   | 0.62%   | 5,860,303                    | 10   | 0.98%   |
| Bellsouth                        |                              |      |   | 6,947,634                    | 8    | 1.16%   |
| <b>Total</b>                     | <b>\$ 213,543,450</b>        |      | <b>32.96%</b>                                   | <b>\$ 205,766,365</b>        |      | <b>34.48%</b>                                   |

**Schedule 8  
City of Biloxi  
Property Tax Levies  
and Collections  
Last Ten Fiscal Years**

| <b>Fiscal<br/>Year</b> | <b>Taxes Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections<br/>in Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|------------------------|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|                        |   | <b>Amount</b>   | <b>Percentage<br/>of Levy</b> |  | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
| <b>2020</b>            | \$ 18,475,911                                   | \$ 18,020,694   | 97.54%                        | \$ 81,823                                      | \$ 18,102,517                    | 97.98%                        |
| <b>2019</b>            | 18,386,907                                      | 18,193,625  | 98.95%                        | 540,509  | 19,353,780                       | 105.26%                       |
| <b>2018</b>            | 18,599,993                                      | 17,938,723  | 96.44%                        | 215,412  | 18,154,135                       | 97.60%                        |
| <b>2017</b>            | 18,249,373                                      | 17,843,094  | 97.77%                        | 232,357  | 18,075,451                       | 99.05%                        |
| <b>2016</b>            | 17,558,644                                      | 17,211,802  | 98.02%                        | 204,095  | 17,415,897                       | 99.19%                        |
| <b>2015</b>            | 17,325,760                                      | 17,247,428  | 99.55%                        | (99,733)                                       | 17,147,695                       | 98.97%                        |
| <b>2014</b>            | 17,404,495                                      | 17,054,583  | 97.99%                        | 221,227  | 17,275,810                       | 99.26%                        |
| <b>2013</b>            | 17,258,970                                      | 17,093,431  | 99.04%                        | 189,712  | 17,283,143                       | 100.14%                       |
| <b>2012</b>            | 17,155,294                                      | 16,878,012  | 98.38%                        | 188,761  | 17,066,773                       | 99.48%                        |
| <b>2011</b>            | 17,390,281                                      | 17,097,514  | 98.32%                        | 184,682  | 17,282,196                       | 98.82%                        |



**Schedule 9**  
**City of Biloxi**  
**Ratios of Outstanding**  
**Debt by Type**  
**Last Ten Fiscal Years**

| <b>Fiscal<br/>Year</b> | <b>Governmental Activities</b>          |   |                           |   | <b>Business-Type Activities</b> |                      |
|------------------------|---|---|---------------------------|---|---------------------------------|----------------------|
|                        | <b>General<br/>Obligation<br/>Bonds</b> | <b>Limited<br/>Obligation<br/>Bonds</b> | <b>Capital<br/>Leases</b> | <b>Other<br/>General<br/>Long-Term<br/>Debt</b> | <b>Capital<br/>Leases</b>       | <b>SRF<br/>Loans</b> |
| <b>2020</b>            | 48,628,000                              | 20,245,176                              | 5,614,552                 | -   | -                               | 7,889,921            |
| <b>2019</b>            | 53,200,000                              | 22,096,698                              | 2,122,752                 | -   | -                               | 9,234,154            |
| <b>2018</b>            | 42,885,000                              | 22,498,189                              | 2,639,664                 | -   | -                               | 8,929,598            |
| <b>2017</b>            | 46,465,000                              | 23,997,481                              | 2,519,766                 | -   | 6,475                           | 9,236,442            |
| <b>2016</b>            | 42,580,000                              | 48,415,000                              | 2,075,362                 | 174,227   | 69,567                          | 7,228,914            |
| <b>2015</b>            | 45,595,000                              | 29,085,000                              | 596,461                   | 4,447,703                                       |                                 | 5,517,653            |
| <b>2014</b>            | 47,790,000                              | 30,695,000                              | 256,112                   | 5,350,497                                       |                                 | 3,474,187            |
| <b>2013</b>            | 15,080,000                              | 30,120,000                              | 444,859                   | 6,382,925                                       |                                 | 3,528,580            |
| <b>2012</b>            | 20,990,000                              | 31,485,000                              | 628,443                   | 18,414,602                                      | -                               | 2,922,390            |
| <b>2011</b>            | 12,810,000                              | 32,785,000                              | 214,303                   | 19,445,551                                      | -                               | 1,448,801            |

**Business-Type Activities**

| <b>Port<br/>Bonds</b> | <b>Other<br/>Loans</b> | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage of<br/>Personal<br/>Income</b> | <b>Per<br/>Capita</b> |
|-----------------------|------------------------|---|--|-----------------------|
| 6,690,000             | 765,444                | 89,833,093                              | Not Available                                | 1,944                 |
| 6,970,000             | 819,406                | 94,443,010                              | Not Available                                | 2,055                 |
| 7,240,000             | 872,327                | 85,064,778                              | Not Available                                | 1,853                 |
| 8,095,000             | 924,227                | 91,244,391                              | 5.49%  | 1,985                 |
| 770,000               | 975,126                | 102,288,196                             | 6.43%  | 2,241                 |
| 935,000               | 1,025,042              | 87,201,859                              | 5.59%  | 1,911                 |
| 1,090,000             | 1,073,995              | 89,729,791                              | 5.75%  | 1,995                 |
| 1,240,000             | 1,122,004              | 57,918,368                              | 3.81%  | 1,295                 |
| 1,380,000             | 179,419                | 75,999,854                              | 5.03%  | 1,705                 |
| 1,515,000             | -                      | 68,218,655                              | 4.54%  | 1,545                 |

**Schedule 10**  
**City of Biloxi**  
**Ratios of General Bonded**  
**Debt Outstanding**  
**Last Ten Fiscal Years**

| Fiscal<br>Year<br>Ended<br>9/30 | Estimated<br>Population (1) | Actual Value<br>of Property (2) | Gross<br>General<br>Obligation<br>Debt (3) | Less Debt<br>Service<br>Fund | Net<br>Bonded<br>Debt | Percentage<br>of Actual<br>Taxable<br>Value of<br>Property | Net<br>Bonded<br>Debt Per<br>Capita |
|---------------------------------|-----------------------------|---------------------------------|--|------------------------------|-----------------------|--|-------------------------------------|
| 2020                            | 46,212                      | \$ 4,410,320,345                | \$ 48,628,000                              | \$ 5,035,784                 | \$ 43,592,216         | 0.99%  | 943                                 |
| 2019                            | 45,968                      | 4,333,446,934                   | 53,200,000                                 | 4,419,615                    | 48,780,385            | 1.13%  | 1061                                |
| 2018                            | 45,908                      | 4,309,854,999                   | 42,885,000                                 | 4,276,199                    | 38,608,801            | 0.90%  | 841                                 |
| 2017                            | 45,975                      | 4,240,507,823                   | 46,465,000                                 | 13,232,810                   | 33,232,190            | 0.78%  | 723                                 |
| 2016                            | 45,637                      | 4,185,427,669                   | 42,580,000                                 | 28,291,117                   | 14,288,883            | 0.34%  | 313                                 |
| 2015                            | 45,637                      | 4,137,415,472                   | 45,595,000                                 | 16,333,200                   | 29,261,800            | 0.71%  | 641                                 |
| 2014                            | 44,984                      | 4,148,039,041                   | 47,790,000                                 | 17,694,871                   | 30,095,129            | 0.73%  | 669                                 |
| 2013                            | 44,735                      | 4,119,977,109                   | 15,080,000                                 | 16,477,727                   | (1,397,727)           | -0.03%   | -31                                 |
| 2012                            | 44,578                      | 4,053,483,906                   | 20,990,000                                 | 19,459,156                   | 1,530,844             | 0.04%  | 34                                  |
| 2011                            | 44,239                      | 4,094,715,670                   | 12,810,000                                 | 13,910,717                   | (1,100,717)           | -0.03%   | -25                                 |

(1) *Annual Estimates of the Resident Population for Incorporated Places in Mississippi, April 1, 2008 to July 1, 2017.*

Retrieved March 30, 2020 from <https://www.census.gov/quickfacts/fact/table/biloxicitymississippi>

(2) Schedule "Assessed and Actual Value of Property"

(3) Includes notes; excludes tax increment debt and debt paid from Enterprise Fund revenues

**Schedule 11**  
**City of Biloxi**  
**Direct and Overlapping**  
**General Obligation Debt**  
**As of September 30, 2020**

|   | Net General<br>Obligation<br>Bonded Debt<br>Outstanding | Applicable<br>Percentage | Amount<br>Applicable<br>to City of<br>Biloxi |
|---|---|--------------------------|--|
| Jurisdiction                              |   |                          |  |
| Direct:                                   |   |                          |  |
| City of Biloxi                            | \$ 74,479,361   | 100.00%                  | \$ 74,479,361                                |
| Overlapping:                              |   |                          |  |
| Biloxi School District                    | 66,289,035  | 100.00%                  | 66,289,035                                   |
| Harrison County                           | 121,404,000   | 43.98%                   | 53,393,479                                   |
| City of Biloxi Limited Tax Port Bonds (2) | 6,970,000   | 27.81%                   | 1,938,357                                    |
| Total overlapping                         | <u>194,663,035</u>                                      |                          | <u>121,620,871</u>                           |
| Totals                                    | <u><u>\$ 269,142,396</u></u>                            |                          | <u><u>\$ 196,100,232</u></u>                 |

- (1) Outstanding general obligation bonded debt less amount available in Debt Service Fund.  
Includes Port Fund (enterprise) general obligation debt.
- (2) Secured by the pledge of the avails of a continuing tax by Harrison County.

**Schedule 12**  
**City of Biloxi**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

|  | <b>Fiscal Year</b>   |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          |
| Debt Limit   | \$ 97,246,431        | \$ 95,311,510        | \$ 94,725,377        | \$ 92,894,561        |
| Total net debt applicable to limit   | <u>48,628,000</u>    | <u>53,200,000</u>    | <u>42,885,000</u>    | <u>46,465,000</u>    |
| Legal debt margin  | <u>\$ 48,618,431</u> | <u>\$ 42,111,510</u> | <u>\$ 51,840,377</u> | <u>\$ 46,429,561</u> |
|  |                      |                      |                      |                      |
| Total net debt applicable to the<br>limit as a percentage of the<br>debt limit | 50.00%               | 55.82%               | 45.27%               | 50.02%               |

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
| \$ 91,121,953        | \$ 89,965,370        | \$ 90,375,780        | \$ 86,506,249        | \$ 89,205,082        | \$ 89,504,365        |
| 42,580,000           | 45,595,000           | 47,790,000           | 15,080,000           | 31,990,000           | 23,810,000           |
| <u>\$ 48,541,953</u> | <u>\$ 44,370,370</u> | <u>\$ 42,585,780</u> | <u>\$ 71,426,249</u> | <u>\$ 57,215,082</u> | <u>\$ 65,694,365</u> |
| 46.73%               | 50.68%               | 52.88%               | 17.43%               | 35.86%               | 26.60%               |

**Legal Debt Margin Calculated**

for Fiscal Year 2020

|                                    |                      |
|------------------------------------|----------------------|
| Assessed value                     | \$ 648,309,538       |
| Debt limit (15% of assessed value) | 97,246,431           |
| Debt applicable to limit:          |                      |
| General obligation bonds           | <u>48,628,000</u>    |
| Total debt applicable to limit     | <u>48,628,000</u>    |
| Legal debt margin                  | <u>\$ 48,618,431</u> |

**Schedule 13**  
**City of Biloxi**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

| <b>Fiscal<br/>Year<br/>Ended<br/>9/30</b> | <b>Gross<br/>Revenues</b> | <b>Operating<br/>Expenses</b> | <b>Net<br/>Revenues<br/>Available<br/>for Debt<br/>Service</b> | <b>Debt Service Requirements (1)</b> |                 |              |                 |
|---|---------------------------|-------------------------------|--|--------------------------------------|-----------------|--------------|-----------------|
|   |                           |                               |  | <b>Principal</b>                     | <b>Interest</b> | <b>Total</b> | <b>Coverage</b> |
| 2020                                      | 17,063,145                | 17,003,992                    | 59,153   | 578,789                              | 159,656         | 738,445      | 8.0%            |
| 2019                                      | 17,051,616                | 16,385,335                    | 666,281  | 567,771                              | 170,674         | 738,445      | 90.2%           |
| 2018                                      | 16,636,769                | 15,458,662                    | 1,178,107  | 518,922                              | 161,183         | 680,104      | 173.2%          |
| 2017                                      | 14,260,114                | 16,627,532                    | (2,367,418)  | 443,209                              | 131,915         | 575,124      | -411.6%         |
| 2016                                      | 13,996,845                | 17,231,335                    | (3,234,490)  | 285,637                              | 78,082          | 363,719      | -889.3%         |
| 2015                                      | 14,723,045                | 16,181,511                    | (1,458,466)  | 278,712                              | 85,008          | 363,720      | -401.0%         |
| 2014                                      | 14,120,797                | 15,347,555                    | (1,226,758)  | 271,981                              | 91,740          | 363,721      | -337.3%         |
| 2013                                      | 13,755,104                | 14,148,263                    | (393,159)  | 168,563                              | 88,577          | 257,140      | -152.9%         |
| 2012                                      | 13,948,732                | 14,576,313                    | (627,581)  | 161,287                              | 29,357          | 190,644      | -329.2%         |
| 2011                                      | 14,714,316                | 14,774,817                    | (60,501)   | 181,109                              | 35,685          | 216,794      | -27.9%          |

(1) State Pollution Control loans. Debt service deferred for 2007 and 2008.

**Schedule 14  
City of Biloxi  
Demographic and  
Economic Statistics  
Last Ten Calendar Years**

| <b>Year</b> | <b>Estimated<br/>Population (1)</b> | <b>Per<br/>Capita<br/>Personal<br/>Income (2)</b> | <b>Personal<br/>Income (3)</b> | <b>School<br/>Enrollment (4)</b> | <b>Unemployment<br/>Rate (5)</b> |
|-------------|-------------------------------------|---|--------------------------------|----------------------------------|----------------------------------|
| <b>2020</b> | 46,212                              | N/A   | N/A                            | 6,202                            | 5.9                              |
| <b>2019</b> | 45,968                              | N/A   | N/A                            | 6,127                            | 5.0                              |
| <b>2018</b> | 45,908                              | N/A   | N/A                            | 6,160                            | 4.7                              |
| <b>2017</b> | 45,975                              | 36,175  | 1,663,145,625                  | 5,876                            | 4.7                              |
| <b>2016</b> | 45,637                              | 34,872  | 1,591,453,464                  | 6,074                            | 5.6                              |
| <b>2015</b> | 45,637                              | 34,206  | 1,561,059,222                  | 5,907                            | 6.1                              |
| <b>2014</b> | 44,984                              | 34,664  | 1,559,325,376                  | 5,892                            | 7.1                              |
| <b>2013</b> | 44,735                              | 35,688  | 1,596,502,680                  | 5,347                            | 8.2                              |
| <b>2012</b> | 44,578                              | 35,950  | 1,602,579,100                  | 4,842                            | 8.6                              |
| <b>2011</b> | 44,239                              | 35,380  | 1,565,175,820                  | 4,913                            | 9.7                              |

- (1) *Annual Estimates of the Resident Population for Incorporated Places in Mississippi April 1, 2009 to July 1, 2018* . Retrieved March 30, 2020 from [www.census.gov/quickfacts/fact/table/biloxicitymississippi](http://www.census.gov/quickfacts/fact/table/biloxicitymississippi)
- (2) US Department of Commerce, Bureau of Economic Analysis *Per Capita Personal Income for Gulfport-Biloxi-Pascagoula, Mississippi, November 16, 2018* . Retrieved March 30, 2020 from <http://www.bea.gov>
- (3) Calculated by multiplying Estimated Population by Per Capita Personal Income
- (4) Biloxi School District.
- (5) Annual average monthly percentages for fiscal year, Harrison County, Mississippi Department of Employment Security.



**Schedule 15**  
**City of Biloxi**  
**Principal Employers**  
**Current Year & Nine Years Prior**

| <b>Employer</b>   | <b>Employees (1)</b> | <b>Rank</b> | <b>2020</b>   |
|---|----------------------|-------------|---|
|   |                      |             | <b>Percentage<br/>of Total<br/>Biloxi/Gulfport/Pascagoula<br/>Metro Area<br/>Employment (2)</b> |
| Keesler Air Force Base  | 11,276               | 1           | 7.18%   |
| Beau Rivage Casino & Resort                                   | 2,930                | 2           | 1.87%   |
| Biloxi Veterans Admin Hospital                                | 1,919                | 3           | 1.22%   |
| IP Casino Resort Spa  | 1,460                | 4           | 0.93%   |
| Golden Nugget Casino ( <i>Isle of Capri Casino</i> )          | 1,067                | 5           | 0.68%   |
| Biloxi Public School District                                 | 850                  | 6           | 0.54%   |
| Hard Rock Hotel & Casino Biloxi                               | 800                  | 7           | 0.51%   |
| Harrahs Gulf Coast ( <i>Grand Casino Biloxi</i> )             | 762                  | 8           | 0.49%   |
| Palace Casino Resort  | 617                  | 9           | 0.39%   |
| Merit Health Biloxi ( <i>Biloxi Regional Medical Center</i> ) | 550                  | 10          | 0.35%   |
| Total   | 22,231               |             |   |

(1) Source: Harrison County Development Commission. April 6, 2018

(2) Source: U.S. Department of Labor; The U.S. Department of Labor combines the City of Biloxi with Gulfport, Pascagoula, and other metropolitan areas.

| 2011   |      |       |
|--|------|-------|
| Percentage<br>of Total<br>Biloxi/Gulfport/Pascagoula<br>Metro Area<br>Employment |      |       |
| Employees (1)  | Rank |       |
| 12,222   | 1    | 6.89% |
| 2,366  | 2    | 1.33% |
| 1,985  | 3    | 1.12% |
| 1,656  | 4    | 0.93% |
| 605  | 10   | 0.34% |
| 665  | 8    | 0.37% |
| 772  | 5    | 0.44% |
| 715  | 7    | 0.40% |
| 630  | 9    | 0.36% |
| 750  | 6    | 0.42% |
|  |      |       |
| 22,366   |      |       |



**Schedule 16**  
**City of Biloxi**  
**Full-Time Equivalent City Government**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**

| Function/Program          | Full-Time Equivalent Employees<br>as of September 30, |            |            |            |            |            |            |            |            |            |
|---------------------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                           | 2020  | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       | 2013       | 2012       | 2011       |
| General Government        |   |            |            |            |            |            |            |            |            |            |
| Management services       | 1   | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Finance                   | 8   | 8          | 7          | 6          | 7          | 6          | 6          | 6          | 6          | 6          |
| Planning                  | 4   | 4          | 6          | 6          | 7          | 6          | 6          | 6          | 7          | 6          |
| Building                  | 16  | 17         | 15         | 15         | 13         | 13         | 13         | 14         | 13         | 14         |
| Other                     | 53  | 54         | 42         | 48         | 44         | 45         | 44         | 42         | 42         | 39         |
| Police                    |   |            |            |            |            |            |            |            |            |            |
| Officers                  | 122   | 123        | 121        | 115        | 128        | 121        | 119        | 120        | 120        | 121        |
| Civilians                 | 54  | 53         | 51         | 50         | 50         | 51         | 51         | 51         | 51         | 52         |
| Fire                      |   |            |            |            |            |            |            |            |            |            |
| Firefighters and officers | 169   | 166        | 165        | 167        | 167        | 161        | 155        | 161        | 161        | 163        |
| Civilians                 | 8   | 8          | 5          | 6          | 6          | 5          | 5          | 5          | 5          | 5          |
| Other public works        |   |            |            |            |            |            |            |            |            |            |
| Engineering               | 17  | 18         | 22         | 22         | 21         | 12         | 12         | 12         | 12         | 12         |
| Other                     | 64  | 65         | 70         | 69         | 68         | 79         | 82         | 79         | 79         | 82         |
| Parks and recreation      | 50  | 51         | 52         | 49         | 49         | 57         | 56         | 55         | 57         | 56         |
| Water                     | 33  | 33         | 30         | 30         | 27         | 29         | 26         | 21         | 21         | 22         |
| Port                      | 22  | 22         | 22         | 22         | 23         | 22         | 21         | 22         | 22         | 22         |
| Total                     | <u>621</u>  | <u>623</u> | <u>609</u> | <u>606</u> | <u>611</u> | <u>608</u> | <u>597</u> | <u>595</u> | <u>597</u> | <u>601</u> |

**Schedule 17**  
**City of Biloxi**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

| <b>Function/Program</b>                                  | <b>Fiscal Year</b> |             |             |             |
|--|--------------------|-------------|-------------|-------------|
|  | <b>2020</b>        | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| Police   |                    |             |             |             |
| Physical arrests   | 6,435              | 6,963       | 6,192       | 5,574       |
| Traffic violations                                       | 6,386              | 7,491       | 17,991      | 7,944       |
| Fire   |                    |             |             |             |
| Emergency responses                                      | 6,928              | 7,454       | 7,705       | 7,234       |
| Inspections  | 1,245              | 4,729       | 4,390       | 4,223       |
| Water  |                    |             |             |             |
| Average daily consumption<br>(thousands of gallons)      | 10,952             | 5,223       | 5,223       | 5,223       |
| Wastewater   |                    |             |             |             |
| Average daily sewage treatment<br>(thousands of gallons) | 12,662             | 7,990       | 7,990       | 9,290       |

Sources: Various departments of City of Biloxi.

| Fiscal Year |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|
| 2016        | 2015   | 2014   | 2013   | 2012   | 2011   |
| 7,002       | 7,411  | 7,537  | 6,931  | 7,587  | 7,763  |
| 10,932      | 13,448 | 11,659 | 10,851 | 14,445 | 15,229 |
| 6,928       | 6,479  | 6,327  | 7,356  | 7,332  | 7,194  |
| 4,167       | 4,630  | 4,500  | 3,921  | 3,998  | 4,047  |
| 6,141       | 5,813  | 5,212  | 5,689  | 5,627  | 5,507  |
| 9,927       | 9,379  | 8,626  | 9,614  | 9,510  | 8,003  |

**Schedule 18**  
**City of Biloxi**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

| Function/Program                             | Fiscal Year |        |        |        |
|--|-------------|--------|--------|--------|
|  | 2020        | 2019   | 2018   | 2017   |
| Police                                       |             |        |        |        |
| Stations                                     | 1           | 1      | 1      | 1      |
| Patrol units                                 | 260         | 117    | 117    | 117    |
| Fire stations                                | 10          | 10     | 9      | 9      |
| Other public works                           |             |        |        |        |
| Streets (miles)                              | 306         | 304    | 304    | 317    |
| Traffic signals                              | 64          | 64     | 64     | 63     |
| Parks and recreation                         |             |        |        |        |
| Acreage                                      | 262         | 265    | 278    | 228    |
| Playgrounds                                  | 16          | 16     | 16     | 11     |
| Ballfields                                   | 16          | 25     | 32     | 32     |
| Community centers                            | 4           | 3      | 5      | 5      |
| Water  |             |        |        |        |
| Water mains                                  | 265         | 265    | 265    | 266    |
| Fire hydrants                                | 2,524       | 2,700  | 2,098  | 2,140  |
| Storage capacity<br>(thousands of gallons)   | 8,034       | 7,034  | 7,034  | 7,034  |
| Wastewater                                   |             |        |        |        |
| Sanitary sewers                              | 261         | 261    | 261    | 261    |
| Treatment capacity<br>(thousands of gallons) | 23,700      | 23,700 | 23,700 | 23,700 |

Sources: Various departments of City of Biloxi.

| Fiscal Year |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|
| 2016        | 2015   | 2014   | 2013   | 2012   | 2011   |
| 1           | 1      | 1      | 1      | 1      | 1      |
| 124         | 126    | 126    | 125    | 124    | 123    |
| 9           | 9      | 9      | 9      | 9      | 9      |
| 317         | 298    | 290    | 287    | 220    | 220    |
| 67          | 65     | 64     | 64     | 40     | 40     |
| 258         | 258    | 258    | 258    | 258    | 258    |
| 20          | 20     | 20     | 20     | 20     | 20     |
| 30          | 30     | 30     | 30     | 30     | 30     |
| 5           | 5      | 5      | 5      | 5      | 5      |
| 255         | 254    | 253    | 253    | 251    | 251    |
| 2,018       | 2,018  | 2,016  | 2,015  | 1,890  | 1,890  |
| 14,793      | 14,793 | 14,793 | 14,793 | 14,793 | 14,793 |
| 243         | 243    | 243    | 243    | 235    | 235    |
| 23,700      | 23,700 | 23,700 | 23,700 | 21,582 | 21,582 |





**SECTION IV**  
**COMPLIANCE SECTION**



**Schedule of Expenditures of Federal Awards**

**City of Biloxi**  
**Schedule of Expenditures of Federal Awards**  
For the Fiscal Year Ended September 30, 2020

| Grantor Federal Agency / Pass-Through<br>Agency / Program Title    | Catalog of<br>Federal<br>Domestic<br>Assistance | Federal<br>Grant<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---|----------------------------|---------------------------------------|-------------------------|
| <b>Department of Housing &amp; Urban Development</b>               |   |                            |                                       |                         |
| Pass through MS Development Authority                              |   |                            |                                       |                         |
| Community Development Block Grants/Entitlement Grants              | 14.218  |                            | \$ -                                  | \$ 460,375              |
| <b>Department of Transportation</b>                                |   |                            |                                       |                         |
| Pass through Mississippi Department of Transportation              |   |                            |                                       |                         |
| Highway Planning and Construction                                  | 20.205  |                            | -                                     | 1,333,081               |
| <b>Department of Homeland Security</b>                             |   |                            |                                       |                         |
| Pass through MEMA  |   |                            |                                       |                         |
| Disaster Grants-Public Assistance (Presidentially Declared)        | 97.036  | FEMA 1604 & 4350           | -                                     | 16,413,180              |
| Pass through Mississippi Department of Public Safety               |   |                            |                                       |                         |
| Staffing for Adequate Fire and Emergency Response (SAFER)          | 97.083  |                            | -                                     | 646,055                 |
| Total  |   |                            | -                                     | 17,059,235              |
| <b>Department of the Interior</b>                                  |   |                            |                                       |                         |
| Pass through Mississippi Department of Wildlife, Fisheries & Parks |   |                            |                                       |                         |
| Fish and Wildlife Management Assistance                            | 15.608  |                            | -                                     | -                       |
| Total expenditures of federal awards                               |   |                            | \$ -                                  | \$ 18,852,691           |

*See accompanying notes to schedule of expenditures of federal awards.*

**City of Biloxi**  
**Notes to Schedule of Expenditures of Federal Awards**  
For the Fiscal Year Ended September 30, 2020

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Biloxi, Mississippi under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The City of Biloxi, Mississippi, it is not intended to and does not present the financial position, results of operations and cash flows of The City of Biloxi, Mississippi.

**Note B - Summary of Significant Accounting Policies**

**1. General**

The Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenditures when they are incurred. The expenditures are recognized following the cost principles contained in the Uniform Guidance.

**2. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

**3. Loan and Loan Guarantees**

In accordance with the Uniform Guidance, loans and loan guarantees include new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements.

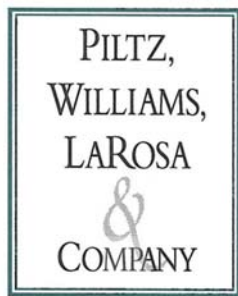
**4. Indirect Cost Rate**

The auditee has elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.



**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***





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**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the City Council  
City of Biloxi, 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 City of Biloxi, Mississippi as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Biloxi, Mississippi's basic financial statements, and have issued our report thereon dated January 19, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Biloxi, 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 Biloxi, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Biloxi, Mississippi's internal control.

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

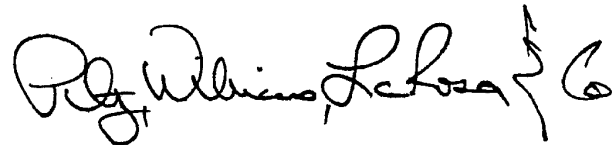
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

## Compliance and Other Matters

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

## Purpose of this Report

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

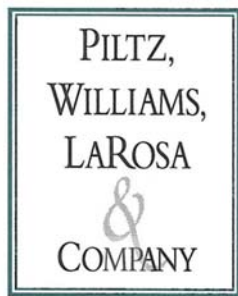
A handwritten signature in black ink, appearing to read "R. Williams, L. Rosa" followed by a stylized flourish.

Certified Public Accountants

Biloxi, Mississippi  
January 19, 2022



**Independent Auditors' Report on Compliance for  
Each Major Program and on Internal Control Over  
Compliance Required by the Uniform Guidance**



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## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance**

To the City Council  
City of Biloxi, Mississippi

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Biloxi, Mississippi's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City of Biloxi, Mississippi's major federal programs for the year ended September 30, 2020. The City of Biloxi, Mississippi's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs and passenger facility charge program.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Biloxi, 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). 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 Biloxi, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program

In our opinion, the City of Biloxi, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

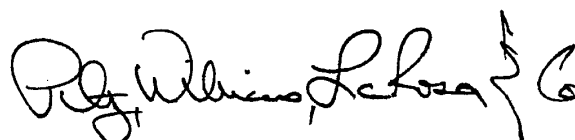
## Report on Internal Control over Compliance

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

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

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

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



Certified Public Accountants

Biloxi, Mississippi  
January 19, 2022



**The City of Biloxi, Mississippi**  
**Schedule of Findings and Questioned Costs**  
For the Year Ended September 30, 2020

**Section 1 – Summary of Auditors’ Results**

1. An unmodified opinion was issued on the general purpose financial statements.
2. The audit did not disclose any material weaknesses or reportable conditions over financial reporting.
3. The audit did not disclose any noncompliance which is material to the basic financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)
7. The major programs were:

|   |        |
|---|--------|
| Disaster Grants – Public Assistance (Presidentially Declared Disasters) | 97.036 |
| Highway Planning and Construction                                       | 20.205 |
8. The dollar threshold used to distinguish between Type A and Type B Programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

**Section 2 – Finding Relating to the Financial Statements**

None

**Section 3 – Finding and Questioned Costs Relating to Major Federal Awards**

None





**The City of Biloxi, Mississippi**  
**Summary Schedule of Prior Audit Findings**  
For the Year Ended September 30, 2020

There were no prior audit findings relative to federal awards.