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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.



Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2020

CITY OF GULFPORT, MISSISSIPPI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2020



Prepared by:
Department of Finance

CITY OF GULFPORT, MISSISSIPPI

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020

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CITY OF GULFPORT, MISSISSIPPI

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020

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CITY OF GULFPORT, MISSISSIPPI

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Introductory Section

The Introductory Section is intended to familiarize the reader with the organizational structure of the City of Gulfport, Mississippi, the nature and scope of the services it provides and the specifics of its legal operation.



This Section Includes:

- Transmittal Letter
- Organizational Chart
- Appointed Officials
- Elected Officials
- Geographic Location



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ACCOUNTING

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Gulfport, MS 39501

August 5, 2022

Honorable Mayor and City Council
City of Gulfport
Gulfport, MS 39501

The Department of Finance and Accounting is pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Gulfport, Mississippi (the "City"), prepared in accordance with accounting principles generally accepted in the United States of America for the fiscal year ended September 30, 2020. These accompanying financial statements are prepared and presented in conformity with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The format, which includes government-wide and major fund presentations, provides citizens, investors and creditors, grantor agencies, and other interested parties with reliable financial information about the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the report is accurate in all material respects and is designed to present fairly the financial position and results of operations of the City for the fiscal year ended September 30, 2020. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Annual Comprehensive Financial Report consists of three parts. **(I) The Introductory Section** includes this transmittal letter, the City's organizational chart, a list of principal City officials, and the geographic location of the City. **(II) The Financial Section** includes the Management's Discussion and Analysis, the basic financial statements (government-wide and fund statements), notes to the financial statements, other required supplementary information ("RSI"), and the combining and individual fund financial statements and schedules, as well as the Independent Auditor's Report on the financial statement schedules. **(III) The Statistical Section** includes several tables of unaudited data describing the financial history of the City as well as other miscellaneous statistics, generally presented on a multi-year basis.

The City is involved in a joint venture with the Memorial Hospital at Gulfport, an acute health care center, and the Gulfport Redevelopment Commission ("GRC"). A synopsis of the joint ventures' financial statements for the fiscal year ended September 30, 2020, is included in the notes section of this report.

The Reporting Entity and Services Provided

Incorporated on July 28, 1898, Gulfport is located in South Mississippi in Harrison County. Gulfport is a code-charter municipality operating under a Mayor / Council form of government. The Mayor is full-time and the Council members are part-time and elected by wards. The Mayor and Council serve concurrent four-year terms. On July 1, 1997, the City added two additional members to the Council as a result of a 1994 annexation bringing the total to seven Council members.

In December 1993, the City annexed 33 square miles north of Gulfport becoming the second largest city in Mississippi with a land area of 56 square miles and a population around 68,000. A full range of services are provided including: police and fire protection, water and sewer services, construction and maintenance of streets and infrastructure, planning and zoning, recreational and cultural services, and general administrative services.

Current Economic Conditions

The overall financial condition of the City can be best described as “Steady Growth.” The cost of insurance and insurability issues continue to create challenges for homeowners, local businesses, and investors. Unemployment continues to remain high, but consumer confidence is slowly improving as indicated by increased sales tax revenue starting in 2012 and continuing through current times.

Future Economic Outlook

- Mississippi Aquarium, a state-of-the-art aquarium, opened to the public on August 29, 2020. The aquarium is attracting visitors and spurring economic development while also creating an educational awareness of the Coast’s diverse marine life and enhance marine research. A hotel close to the aquarium in addition to a walking bridge across US Hwy 90 to Jones Park is also planned to be completed to enhance the aquarium experience.
- Centennial Plaza, with its recently completed hotel and water park, is a 48-acre resort complex developed as a premier family and business traveler destination located directly across from the sandy beaches of Gulfport.
- Downtown revitalization has many new restaurants now operating within the downtown district and many more are slated to come. Gulfport is slowly becoming the headquarters for many corporations and nightlife has never been stronger. A walkable social district which includes Fishbone Alley has enhanced the attraction to downtown dining and visiting.
- The City continues to recognize significant commercial growth along the Highway 605 Corridor both north and south of Interstate 10. The commercial growth consists of medical, retail, restaurants, and professional offices.

Financial Information

Accounting System

The Department of Finance and Accounting is responsible for providing the financial services for the City including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, budgeting, and the procurement of goods and services.

The Department of Finance and Accounting is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City’s current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City maintains specific budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and City Council. Activities of the general fund, special revenue funds, debt service fund, capital projects funds, and proprietary funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major expenditure classification and require approval by the governing body; however, equal transfers between line items within a classification may be approved by the Department Director. For management purposes, the City manages its capital projects program by establishing project length budgets. Under this method, initial project budgets are established and remaining project funds from the previous year are automatically rolled over at year-end to establish revised project budgets. The benefits of this method allows the City to only address project budgets on the initial set-up and any amendments that may be necessary throughout the life of the project.

The City maintains an encumbrance accounting system as one budgetary control technique. Encumbrances reserve appropriations, which have been obligated through purchase orders or contractual documents. Encumbered amounts lapse at year-end; however, they are generally reappropriated as part of the following year's budget.

Enterprise Funds

Gulfport's enterprise operations consist of the Water and Sewer Fund and the Joseph T. Jones Memorial Park Fund. The Water and Sewer Fund accounts for traditional water and sewer revenues and expenditures to construct and maintain the City's water and sewer system. The Joseph T. Jones Memorial Park Fund was created to account for operations, maintenance, and leasing of boat slips and other facilities within Jones Park. Financial statements related to both of these enterprise funds are contained in this report.

Independent Auditors

The City of Gulfport is required by Section 21-35-31 of the Mississippi Code of 1972 to have an annual audit by independent certified public accountants. In compliance with these requirements, the City selected the firm of Mauldin & Jenkins CPAs & Advisors to perform the audit for fiscal year ended September 30, 2020. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors rendered an unqualified opinion.

The City of Gulfport is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-128, Audits of States and Local Governments. Information related to the single audit, including internal control and compliance reports and an opinion on federal financial assistance is included in a separately issued single audit report.

Acknowledgements

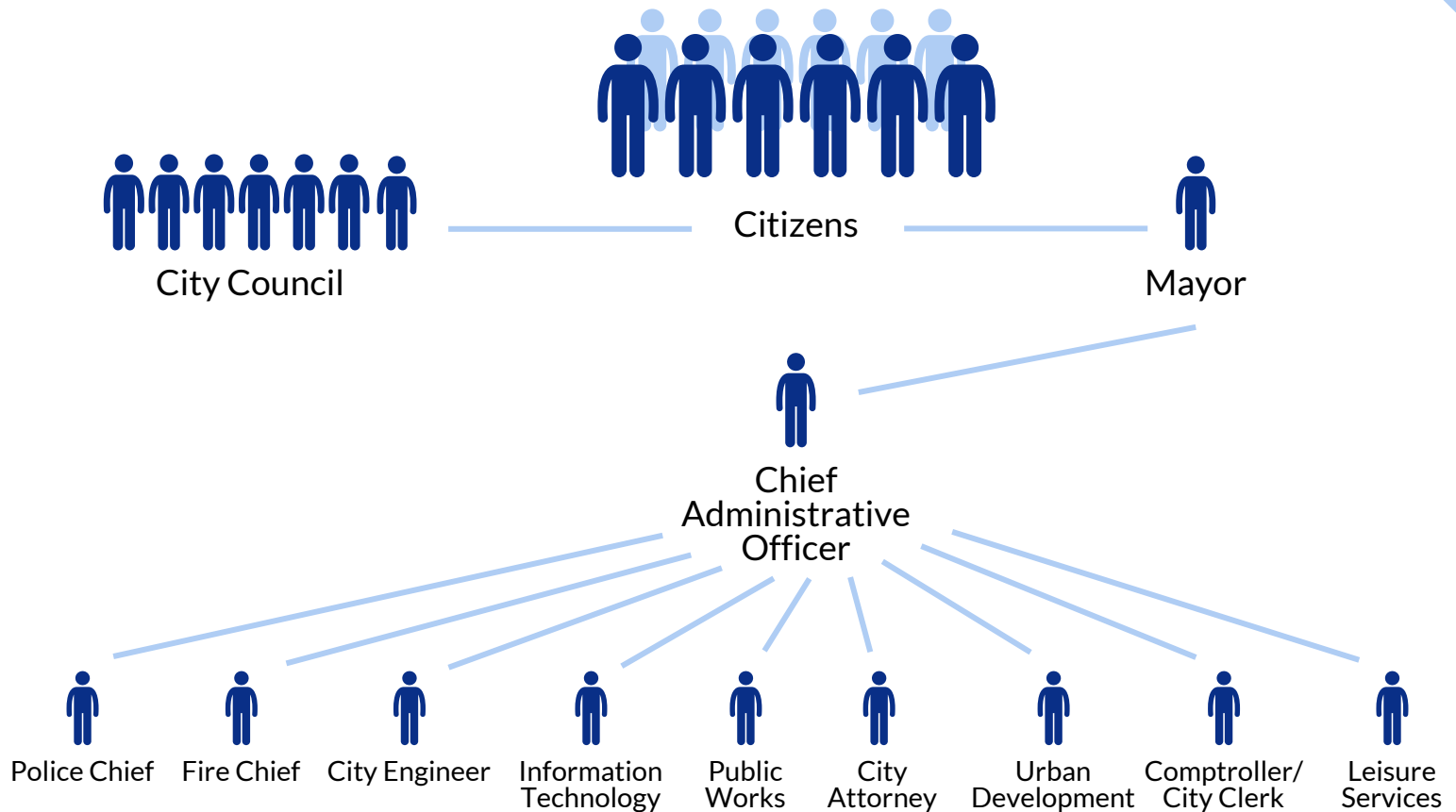
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance and Accounting. I also wish to express my appreciation for the cooperation of the other City departments in providing information for this report.

Respectfully submitted,



Todd D. Harman, CPA
Director of Finance and Accounting

Organizational Chart



Appointed Officials:

Chief Administrative Officer, John Kelly

Police Chief, Chris Ryle

Fire Chief, Michael Beyerstedt

City Engineer, Kris Riemann

Information Technology Director, Rick Fisher

Public Works Director, Wayne Miller

City Attorney, Jeff Bruni

General Counsel, Hugh Keating

Comptroller/City Clerk, Gerard Bellocq

Urban Development Director, Greg Pietrangelo

Leisure Services Director, Gus Wesson

Elected Officials



Billy Hewes
Mayor



Kenneth L. Casey Sr.
Councilman, Ward 1



Ronald Roland
Councilman, Ward 2



Ella Holmes-Hines
Councilwoman, Ward 3



F.B. "Rusty" Walker, IV
Councilman, Ward 4



Myles Sharp
Councilman, Ward 5



Robert "R.Lee" Flowers
Councilman, Ward 6



Cara Pucheu
Councilwoman, Ward 7

Geographic Location





Government Finance Officers Association

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

Presented to

**City of Gulfport
Mississippi**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

The financial section contains the Independent Auditor's Report, Management's Discussion and Analysis, and the Basic Financial Statements (which include the Government-wide and Fund Level Financial Statements, Notes to the Financial Statements, Required Supplementary Information and the combining and individual fund financial statements and schedules).



This Section Includes:

- Independent Auditor's Report
- Management Discussion & Analysis
- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Supplementary Information



Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Members of the City Council and Mayor Billy Hewes, III
City of Gulfport, Mississippi
Gulfport, 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 Gulfport, Mississippi** (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Gulfport, Mississippi's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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 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 the Required Supplementary Information, as listed in the table of contents, 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and 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 August 5, 2022, on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
August 5, 2022



Management's Discussion & Analysis

CITY OF GULFPORT, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

Introduction

This section is a required component of the City of Gulfport, Mississippi's (the "City") Annual Comprehensive Financial Report ("ACFR") and should be read in conjunction with the City's transmittal letter at the front of this report and the City's financial statements which immediately follow this section. As management of the City of Gulfport, Mississippi, we offer this narrative and analysis of the financial activities for the fiscal year ended September 30, 2020. This discussion and analysis is designed to: 1) present the significant financial issues in a way that will assist the reader in understanding the overall financial condition of the City; 2) provide an overview of the City's financial activity; 3) identify changes in the City's financial position; 4) identify any material deviations from the City's financial plan (i.e. budget to actual); and 5) communicate currently known facts, decisions, or conditions that are expected to have a significant "future" effect on the financial position or results of operations.

Financial Highlights

- The City's General Fund, the main operating fund, operated in the "black" with revenues exceeding operating expenditures by over \$5.5 million.
- The City's General Fund's fund balance, which represents the difference between assets minus liabilities, increased during the year from \$14.2 million in 2019 to \$19.7 million in 2020.
- The City's total capital assets increased by \$16.9 million, or 2.7%; going from \$636.8 million in 2019 to \$653.7 million in 2020. Capital assets consist of land, construction in process, buildings, infrastructure, machinery and equipment, and vehicles.
- The City's overall long-term debt increased by \$27.5 million, or 12.6%; going from \$218.2 million in 2019 to \$245.7 million in 2020. Long-term debt consists of capital leases, notes payable, bonds payable, pension liability, death benefit claims, and self-insurance liability.

Brief Description of the Financial Statements

This annual report consists of a series of financial statements which are presented in a hierarchal structure. The highest level of reporting and most summarized statements are the Statement of Net Position (i.e., balance sheet) and Statement of Activities (i.e., income statement) contained on pages 25 and 26, respectively. These two statements provide financial information on the government as a whole similar to how private sector companies report their finances. These two statements are the only place within this report where a reader can review the operations and worth of the City as a whole. All of the City's annual revenues and expenses are reported in the Statement of Activities while the City's assets and liabilities are reported in the Statement of Net Position. These two statements answer the question "Is the City, as a whole, better off or worse off as a result of the year's activities?"

The second tier of financial reporting are the Major Fund Financial Statements. The fund financial statements begin on page 27 and provide detailed information about the City's most significant funds. Funds are accounting entities used to track specific funding sources and uses for particular programs. Individual funds are either established by law or set up for management purposes. Three separate sets of statements are issued depending on whether the activities are of a governmental nature, a business-like nature, or a fiduciary nature.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds – Most of the City's basic services are reported in the governmental funds. Examples include activities relating to governmental funds which are public safety, public works (non-water and sewer), culture and recreation, urban development, capital projects, debt service and general administration. The financial statements of Governmental Funds are reported on the modified accrual basis – which measures cash and all other financial assets that can readily be converted to cash. Governmental statements provide a more detailed short-term view. The amounts contained on these statements are adjusted for full accrual and rolled over to the government-wide statements. Governmental Fund Financial Statements are contained on pages 27 – 30.

Proprietary Funds – Activities existing from fees charged to customers for services provided by the City are reported in proprietary funds. Activities relating to the City's Water and Sewer Operations and Joseph T. Jones Yacht Basin are reported in this section. The financial presentation of these activities is reported on pages 31 – 35 of this report. These financial statements are reported on the full accrual basis – revenues are recognized when earned and measurable. Because both the proprietary fund statements and the government-wide statements are reported on the full accrual method of accounting, the total column of the proprietary funds statements are the same contained on the government-wide business type activities column of the Statement of Net Position and Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are presented in separate statements in this report beginning on page 36.

Financial Analysis of the City as a Whole Condensed Government-wide Statement of Net Position As of September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 77,705,788	\$ 76,442,247	\$ 25,651,460	\$ 10,517,877	\$ 103,357,248	\$ 86,960,124
Capital assets, net	325,343,047	328,565,322	328,318,193	308,185,840	653,661,240	636,751,162
Total assets	<u>403,048,835</u>	<u>405,007,569</u>	<u>353,969,653</u>	<u>318,703,717</u>	<u>757,018,488</u>	<u>723,711,286</u>
Deferred outflow s of resources	<u>5,694,545</u>	<u>1,954,776</u>	<u>745,291</u>	<u>889,681</u>	<u>6,439,836</u>	<u>2,844,457</u>
Liabilities						
Current liabilities	11,491,811	12,162,286	13,961,780	18,419,818	25,453,591	30,582,104
Noncurrent liabilities	165,381,871	148,729,530	70,288,392	57,752,223	235,670,263	206,481,753
Total liabilities	<u>176,873,682</u>	<u>160,891,816</u>	<u>84,250,172</u>	<u>76,172,041</u>	<u>261,123,854</u>	<u>237,063,857</u>
Deferred inflow s of resources	<u>26,689,156</u>	<u>26,801,883</u>	<u>38,791</u>	<u>81,902</u>	<u>26,727,947</u>	<u>26,883,785</u>
Net position:						
Net investment in capital assets	257,087,790	275,222,555	258,281,256	236,184,061	515,369,046	511,406,616
Restricted	3,383,238	1,038,509	-	-	3,383,238	1,038,509
Unrestricted	(55,290,486)	(56,992,418)	12,144,725	7,155,394	(43,145,761)	(49,837,024)
Total net position	<u>\$ 205,180,542</u>	<u>\$ 219,268,646</u>	<u>\$ 270,425,981</u>	<u>\$ 243,339,455</u>	<u>\$ 475,606,523</u>	<u>\$ 462,608,101</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Government-Wide Statement of Net Position

Total Primary Government

From an "overall balance sheet perspective", the net position of the City as compared to the previous year increased from \$462.6 million in 2019 to \$475.6 million in 2020, while total assets increased \$33.3 million, from \$723.7 million in 2019 to \$757.0 million in 2020. Much of this increase is the result of an increase in cash and cash equivalents and in capital assets. Total liabilities increased by \$24.0 million, from \$237.1 million to \$261.1 million. This increase in liabilities is mostly due to the increase in long-term debt. Net position serves as a useful indicator of a government's financial position over time. By far, the majority of the City's net position is related to investment in capital assets, (i.e. roads, bridges, parks, water, sewer, machinery, etc.), net of related debt is \$515.4 million which represents approximately over 108.4% of the City's total net position.

Current assets increased by \$16.4 million during the year, increasing from \$87.0 million in 2019 to \$103.4 million in 2020.

The below two sections are a breakdown of the Total Primary Government into the two sections entitled Governmental Activities and Business-Type Activities.

Governmental Activities

Total assets for Governmental type activities decreased by \$2.0 million, from \$405.0 million in 2019 to \$403.0 million in 2020; while current assets (cash, short-term receivables, etc.) increased by \$1.3 million, from \$76.4 million in 2019 to \$77.7 million in 2020. Total governmental activities liabilities increased \$16.0 million, from \$160.9 million in 2019 to \$176.9 million in 2020. This increase is mostly due to the increase in long-term debt.

Business-Type Activities

The City's business-type activities consist of the Water and Sewer, the Joseph T. Jones Memorial Park Funds, and the assets of the Gulfport Redevelopment Commission ("GRC"). Total assets increased by \$35.3 million; from \$318.7 million in 2019 to \$354.0 million in 2020, with current assets increasing by \$15.2 million, and capital assets increasing by \$20.1 million.

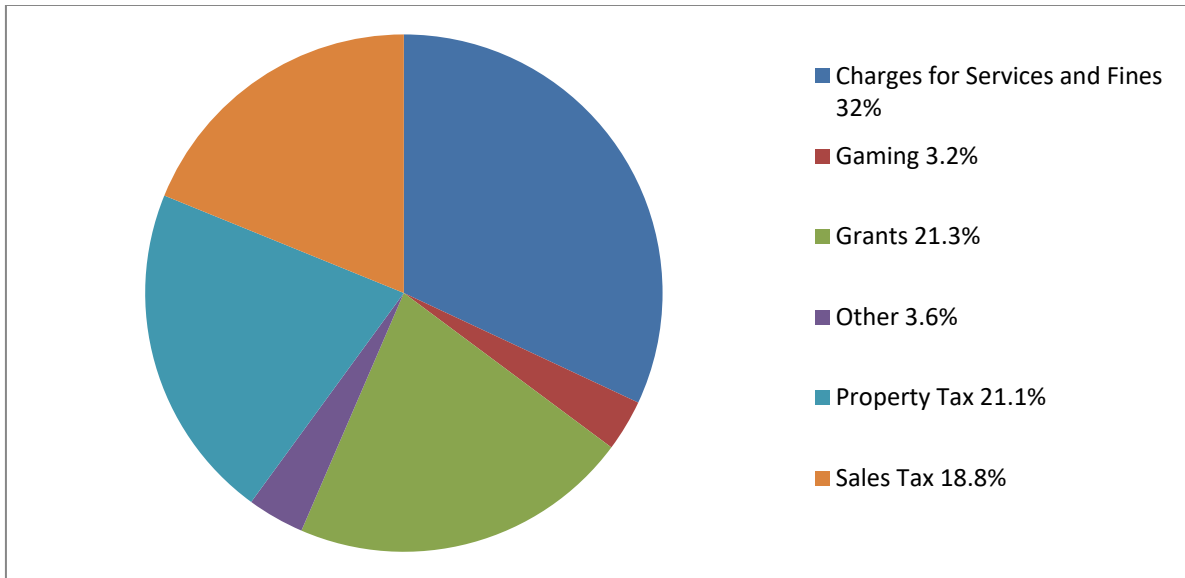
MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Government-Wide Statement of Activities For the Year Ended September 30, 2020 and 2019

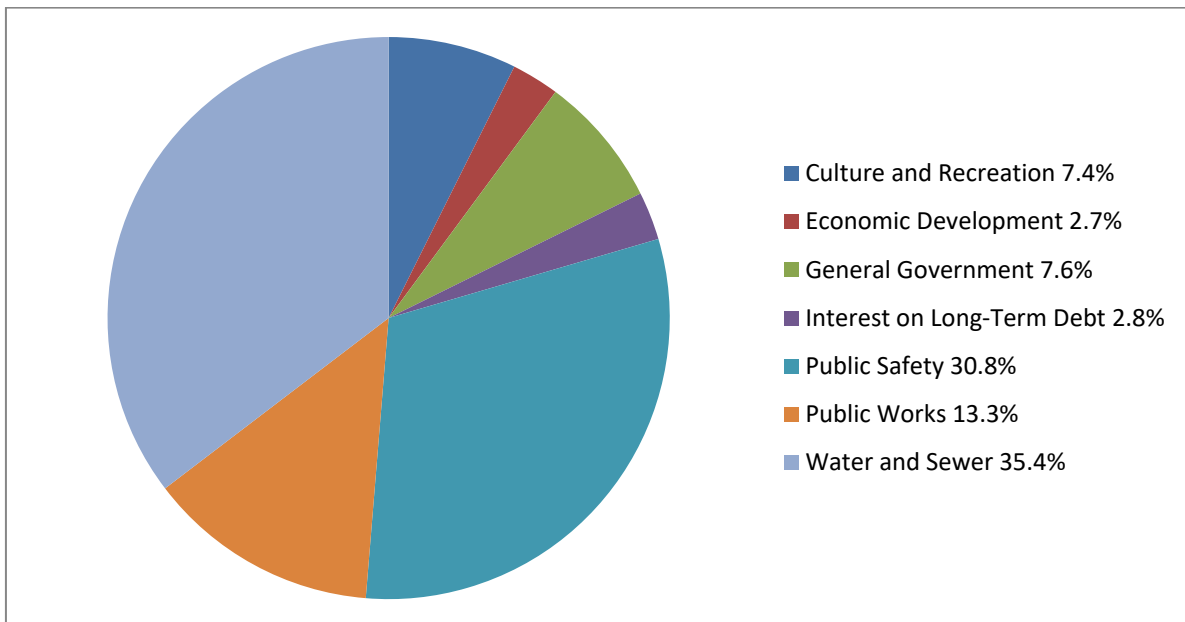
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for services	\$ 7,443,193	\$ 3,397,400	\$ 32,187,820	\$ 35,511,500	\$ 39,631,013	\$ 38,908,900
Operating grants and contributions	2,417,526	2,714,565	-	-	2,417,526	2,714,565
Capital grants and contributions	24,002,575	23,886,234	-	-	24,002,575	23,886,234
General revenues:						
Property taxes	26,179,390	25,270,049	-	-	26,179,390	25,270,049
Sales taxes	23,370,081	22,977,794	-	-	23,370,081	22,977,794
Franchise taxes	3,768,997	4,007,112	-	-	3,768,997	4,007,112
Gaming fees	3,991,565	3,920,341	-	-	3,991,565	3,920,341
Other	566,954	1,007,342	86,570	78,845	653,524	1,086,187
Total revenues	<u>91,740,281</u>	<u>87,180,837</u>	<u>32,274,390</u>	<u>35,590,345</u>	<u>124,014,671</u>	<u>122,771,182</u>
Program Expenses						
General government	8,041,866	18,381,753	-	-	8,041,866	18,381,753
Public safety	32,768,185	31,463,459	-	-	32,768,185	31,463,459
Public works	14,172,099	5,997,295	-	-	14,172,099	5,997,295
Health and welfare	7,946	3,687	-	-	7,946	3,687
Economic development	2,911,397	2,442,809	-	-	2,911,397	2,442,809
Culture and recreation	7,846,167	6,565,748	-	-	7,846,167	6,565,748
Interest	2,945,000	2,211,800	-	-	2,945,000	2,211,800
Water and Sewer	-	-	37,578,531	33,495,681	37,578,531	33,495,681
Joseph T. Jones	-	-	3,047,369	2,920,191	3,047,369	2,920,191
GRC	-	-	1,697,689	2,813,802	1,697,689	2,813,802
Total expenses	<u>68,692,660</u>	<u>67,066,551</u>	<u>42,323,589</u>	<u>39,229,674</u>	<u>111,016,249</u>	<u>106,296,225</u>
Transfers	<u>(37,135,725)</u>	<u>(23,626,880)</u>	<u>37,135,725</u>	<u>23,626,880</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(14,088,104)</u>	<u>(3,512,594)</u>	<u>27,086,526</u>	<u>19,987,551</u>	<u>12,998,422</u>	<u>16,474,957</u>
Net Position - beginning, previously reported	<u>219,268,645</u>	<u>222,781,239</u>	<u>243,339,455</u>	<u>223,351,904</u>	<u>462,608,100</u>	<u>446,133,143</u>
Net Position - ending	<u>\$ 205,180,541</u>	<u>\$ 219,268,645</u>	<u>\$ 270,425,981</u>	<u>\$ 243,339,455</u>	<u>\$ 475,606,522</u>	<u>\$ 462,608,100</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Government-Wide Statement of Activities Where Does The Money Come From?



Where Does the Money Go?



MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues

The City's revenues exceeded expenses by \$13.0 million in 2020 with federal grants returning to normal levels.

Charges for Services and Fines – Charges for services accounts for \$39.6 million, or 32.0% of the City's total revenues.

Property Tax — Property tax accounts for \$26.2 million, or 21.4% of the City's total revenues, and is considered the most stable revenue source for the City. The City's property tax revenue is expected to recognize growth in the near future as a result of residential and commercial property investments and development.

Sales Tax – Sales tax accounts for \$23.4 million, or 18.8% of the City's total revenues. The City is recognizing moderate growth in sales taxes collected when compared to the previous fiscal year.

Grants – The City received a total of \$26.4 million in grant revenues in 2020 as compared to \$26.6 million in 2019. The majority of these grants were related to the City's construction of the Mississippi Aquarium.

Expenses

The City's total government-wide expenses were \$111.0 million in 2020 as compared to \$106.3 million in 2019. This represents an increase of \$4.7 million, or 4.4%. This increase is mainly attributed to water and sewer increases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below represents the cost of each of the City's major governmental functional areas – general government, public safety, public works, health and welfare, economic development, and culture and recreation. The costs are separated into total cost and net cost. The net cost shows the financial burden that was placed on the City's taxpayers after taking into account the program revenues generated by each of the major functional areas.

Governmental Activities - Costs		
	Total Cost of Service	Net Cost of Service
Governmental activities:		
General government	\$ 8,041,866	\$ (967,469)
Public safety	32,768,185	(29,499,803)
Public works	14,172,099	9,172,512
Health and welfare	7,946	(7,946)
Economic development	2,911,397	(2,911,397)
Culture and recreation	7,846,167	(7,670,263)
Interest on long-term debt	2,945,000	(2,945,000)
Total governmental activities	<u>\$ 68,692,660</u>	<u>\$ (34,829,366)</u>

Fund Financial Analysis

The City maintains fund accounting to comply with budgetary and legal compliance and for specific management control. The following is a brief discussion of financial highlights from the major fund financial statements.

Governmental Funds

The focus of the governmental fund financial statements is to provide information on current financial resources of the City. Funds included in this category are as follows: General Fund, Capital Projects Fund, Special Revenue Funds (i.e., Forfeits and Seizures, Community Development, and Police and Fire Retirement), Disaster Relief Fund and the Debt Service Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund is the primary “governmental operating fund” of the City. Activities that are traditional in nature to governmental entities are reported in this fund (i.e., public safety, public works (operations and maintenance), culture and recreation, economic development, and general government). The General Fund accounts for nearly 67.2% of the City's total governmental funds' revenues and 71.7% of the City's total governmental funds' expenditures. Overall, the General Fund's financial condition improved as compared to the previous year.

General Fund - Financial Summary

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 61,285,640	\$ 59,489,472
Total expenditures	<u>55,763,961</u>	<u>57,141,390</u>
Excess (deficit) of revenues over expenses	5,521,679	2,348,082
Other sources (uses)	<u>67,918</u>	<u>16,320</u>
Net change in fund balance	5,589,597	2,364,402
Fund balance, beginning	<u>14,154,407</u>	<u>11,790,005</u>
Fund balance, ending	<u><u>\$ 19,744,004</u></u>	<u><u>\$ 14,154,407</u></u>

- The General Fund operated in the “black” by \$5.5 million in 2020 with revenues of \$61.3 million and expenditures of \$55.8 million. The City is continuing to develop initiatives in upcoming annual budgets to balance ongoing expenditures to recurring revenues.
- The General Fund's total assets increased by \$7.0 million, from \$43.2 million in 2019 to \$50.2 million in 2020.
- The General Fund's unassigned fund balance increased by \$5.5 million, from \$14.2 million in 2019 to \$19.7 million in 2020. Unrestricted fund balance is extremely important in that it represents that portion of the City's assets (mainly cash and receivables) that are not designated for expenditures. The purpose of these funds is to: 1) stabilize tax rates in an economic downturn, 2) provide the City with resources in the event of a natural disaster, and 3) provide the City with resources for other unforeseen events and/or circumstances.
- Total General Fund revenues increased by \$1.8 million, or 3.0% in 2020, from \$59.5 million in 2019 to \$61.3 million in 2020.
- Total General Fund expenditures decreased by \$1.3 million, or 2.4% in 2020, from \$57.1 million in 2019 to \$55.8 million in 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Community Development Block Grant Fund – Financial Summary

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 4,095,316	\$ 9,483,950
Total expenditures	<u>1,283,100</u>	<u>5,304,760</u>
Excess (deficit) of revenues over expenses	2,812,216	4,179,190
Fund balance, beginning	<u>2,144,573</u>	<u>(2,034,617)</u>
Fund balance, ending	<u><u>\$ 4,956,789</u></u>	<u><u>\$ 2,144,573</u></u>

- The Community Development Block Grant (“CDBG”) Fund operated in the “black” by \$2.8 million in 2020 with revenues of \$4.1 million and expenditures of \$1.3 million.
- Community Development Block Grant (“CDBG”) Fund assets increased by \$3.9 million, or 62.9%, from \$6.2 million in 2019 to \$10.1 million in 2020.

Capital Projects Fund – Financial Summary

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 17,467,761	\$ 13,299,492
Total expenditures	<u>3,962,700</u>	<u>8,539,057</u>
Excess of revenues over expenses	13,505,061	4,760,435
Other uses	<u>(36,846,876)</u>	<u>(22,109,330)</u>
Net change in fund balance	<u>(23,341,815)</u>	<u>(17,348,895)</u>
Fund balance, beginning	19,460,191	36,809,086
Fund balance, ending	<u><u>\$ (3,881,624)</u></u>	<u><u>\$ 19,460,191</u></u>

- The Capital Projects Fund operated in the “red” by \$23.3 million in 2020 with revenues of \$17.5 million, expenditures of \$4.0 million and net other financing uses of \$36.8 million. The total decrease in Fund Balance was primarily due to transfers out to other funds totaling \$36.8 million.
- Capital Projects Fund assets decreased by \$17.8 million; from \$20.3 million in 2019 to \$2.5 million in 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Service Fund – Financial Summary

	2020	2019
Total revenues	\$ 4,813,122	\$ 4,950,339
Total expenditures	15,464,893	6,054,302
Deficit of revenues over expenses	(10,651,771)	(1,103,963)
Other sources (uses)	23,291,315	(201,506)
Net change in fund balance	12,639,544	(1,305,469)
Fund balance, beginning	(1,586,788)	(281,319)
Fund balance, ending	<u>\$ 11,052,756</u>	<u>\$ (1,586,788)</u>

- The Debt Service Fund operated in the “black” by \$12.6 million in 2020 with revenues of \$4.8 million, expenditures of \$15.5 million, and net other financing sources of \$23.3 million. This activity is due to long-term debt refunding that occurred during this fiscal year.
- Debt Service Fund assets increased by \$13.8 million, from \$4.8 million in 2019 to \$18.6 million in 2020.
- Detail debt schedules can be located in Note 9: Long-Term Debt in the Notes to the Basic Financial Statements.

Business-Type Activities Water and Sewer Fund

The purpose of the City's Water and Sewer Fund is to account for activities of its water and sewer operations. The financial reporting of this fund is contained on the government-wide financial statements under the column entitled “business-type activities”. Below is a condensed operating statement of the City's Water and Sewer Fund.

	2020	2019
Operating revenues	\$ 29,702,276	\$ 32,039,665
Operating expenses	35,202,816	31,957,789
Operating income / (loss)	(5,500,540)	81,876
Nonoperating income / (expense):		
Interest expense	(1,376,489)	(1,524,042)
Other	(915,324)	(145,829)
Income before transfers	(7,792,353)	(1,587,995)
Transfers	-	(13,594)
Change in Net Position	(7,792,353)	(1,601,589)
Net position, beginning	151,452,868	153,054,457
Net position, ending	<u>\$ 143,660,515</u>	<u>\$ 151,452,868</u>

The City's water and sewer fund's operating income was \$0.1 million in 2019 as compared to an operating loss of \$5.5 million in 2020. It is important to remember that income from operations does not include interest expense as this is reported in the nonoperating items nor does this amount include repayment of principal on borrowed funds. Revenues decreased by \$2.3 million while expenses increased by \$3.2 million during 2020. The amount identified above as “Other” includes loss on disposal of capital assets, interest income, and other debt service costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Budgetary Highlights

The City's General Fund Budget has been prepared in accordance with the laws of the State of Mississippi. The City maintains specific budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the Mayor and Council. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department and major expenditure classification (i.e., personnel services, supplies, other services, and capital outlay) and require approval by the governing body.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>
Taxes:			
Property	\$ 20,501,600	\$ 20,695,042	\$ 20,695,042
Sales	23,080,000	23,703,870	23,076,387
Licenses, permits and franchise fees	5,066,000	4,824,271	4,823,468
Intergovernmental	7,900,000	7,119,687	7,040,670
Charges for services/rents/leases	2,400,000	1,637,053	2,264,112
Fines and fees	1,060,000	969,605	966,516
Interest income	434,905	470,018	470,018
Miscellaneous/other	131,440	1,040,206	1,040,276
Total revenues	<u>60,573,945</u>	<u>60,459,752</u>	<u>60,376,489</u>
General government	10,110,964	8,449,956	8,619,713
Public safety	31,388,252	29,733,871	29,659,789
Public works	10,188,648	10,239,484	10,173,824
Economic development	2,575,452	2,110,874	2,110,874
Culture and recreation	6,681,710	5,706,466	5,684,390
Total expenditures	<u>60,945,026</u>	<u>56,240,651</u>	<u>56,248,590</u>
Excess (deficit) of revenues over expenditures	<u>\$ (371,081)</u>	<u>\$ 4,219,101</u>	<u>\$ 4,127,899</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City amended its General Fund's revenue and expenditure budget many times throughout the fiscal year. Below is a brief description of major budget amendments.

- The revenue budget (original versus revised) was amended downward by approximately \$0.1 million, an immaterial amount. The original budget of \$60.6 million as compared to the revised budget of \$60.5 million was primarily due to adjusting income expectations based on actual revenue receipts.
- The expenditure budget (original versus revised) was amended downward by \$4.7 million, or 8.4%. The original budget of \$60.9 million as compared to the revised budget of \$56.2 million was primarily due to general government and public safety budget adjustments based on lesser actual expenditures than expected.
- Overall, the City's General Fund actual revenues for 2020 (budget basis) of \$60.4 million represents a \$0.2 million decrease from the original budget. This \$0.2 million budget variance is represented as the sum of the immaterial budget variances of all of the General Fund revenue categories.
- Overall, the City's General Fund actual expenditures for 2020 (budget basis) of \$56.2 million represents a \$4.7 million decrease from the original budget. This variance is represented in a \$1.5 million decrease in general government actual expenditures, a \$1.7 million decrease in public safety expenditures, and other immaterial variances when comparing to the original budgeted expenditures.

Capital Assets and Debt Administration

Capital Assets

Schedule of Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and						
contruction in progress	\$ 44,296,726	\$ 42,835,778	\$ 113,669,558	\$ 87,538,447	\$ 157,966,284	\$ 130,374,225
Buildings	57,918,604	58,715,418	7,261,462	7,437,827	65,180,066	66,153,245
Improvements and						
infrastructure	212,494,568	217,741,649	204,263,775	209,522,595	416,758,343	427,264,244
Machinery and						
equipment	2,685,397	2,829,138	2,233,122	2,514,522	4,918,519	5,343,660
Capital leases	3,365,393	3,262,973	104,603	147,745	3,469,996	3,410,718
Vehicles	4,582,359	3,180,366	785,673	1,024,704	5,368,032	4,205,070
Total	<u>\$ 325,343,047</u>	<u>\$ 328,565,322</u>	<u>\$ 328,318,193</u>	<u>\$ 308,185,840</u>	<u>\$ 653,661,240</u>	<u>\$ 636,751,162</u>

- The above table represents the values (net of depreciation) of the City's various classes of assets. The ending 2020 asset values were estimated at \$653.7 million and included a wide range of assets: land, buildings, parks, roads, bridges, drainage systems, machinery, vehicles, and water and sewer systems. Asset values increased by \$16.9 million, or 2.7%, in 2020 (after depreciation) as compared to the prior year. Detail capital asset schedules can be located in Note 7: Capital Assets in the Notes to the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Depreciation expense for 2020 totaled \$15.6 million and was allocated to the following classes of assets:

Allocation of Depreciation by Major Asset Class

	Governmental Activities	Business-type Activities	Total
Buildings	\$ 1,452,769	\$ 176,365	\$ 1,629,134
Improvements and infrastructure	5,795,680	6,256,599	12,052,279
Machinery and equipment	534,171	257,486	791,657
Vehicles	653,862	200,328	854,190
Equipment under capital leases	276,939	43,142	320,081
Total	\$ 8,713,421	\$ 6,933,920	\$ 15,647,341

Depreciation is both an extremely useful tool and is often underutilized in the financial planning process. In order to adequately maintain the City's assets, the amounts contained in the above depreciation allocation table should become a recurring expense item in future City budgets.

The significant increase in land and construction in progress represents the building of the Mississippi Aquarium. The decrease in Improvements and infrastructure represents increases in capital improvements and the normal depreciating of these assets.

Debt Administration

Schedule of Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds payable	\$ 81,197,098	\$ 66,265,190	\$ 64,829,530	\$ 33,180,088	\$ 146,026,628	\$ 99,445,278
Notes payable	-	-	7,276,100	27,540,501	7,276,100	27,540,501
Capital leases payable	687,329	4,550,605	-	92,780	687,329	4,643,385
Net pension liability	85,562,097	79,672,665	2,350,659	2,941,933	87,912,756	82,614,598
Compensated absences	2,658,271	2,649,269	81,468	103,670	2,739,739	2,752,939
Claims and judgments	28,000	28,000	-	-	28,000	28,000
Liability for self insurance	1,077,359	1,203,535	-	-	1,077,359	1,203,535
Total	\$ 171,210,154	\$ 154,369,264	\$ 74,537,757	\$ 63,858,972	\$ 245,747,911	\$ 218,228,236

The above amounts do not include debt relating to Memorial Hospital at Gulfport which is a joint venture of the City.

For more detailed information, detail debt schedules can be located in Note 9: Long-Term Debt in the Notes to the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the City's Finance and Accounting Team

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, please feel free to contact the City's Department of Finance and Accounting at (228) 868-5705 or review the City's website at <http://www.gulfport-ms.gov>.

Government-Wide Financial Statements

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF NET POSITION SEPTEMBER 30, 2020

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and cash equivalents	\$ 13,447,652	\$ 4,359,187	\$ 17,806,839
Receivables, net	32,396,362	7,191,602	39,587,964
Court fines receivable, net	6,133,480	-	6,133,480
Inventories	-	17,474	17,474
Due from other governments	3,401,223	-	3,401,223
Internal balances	7,500,543	(7,500,543)	-
Prepaid insurance	1,028,472	10,000	1,038,472
Restricted assets:			
Cash and cash equivalents	153,181	5,527,604	5,680,785
Investments	13,644,875	16,046,136	29,691,011
Total current assets	77,705,788	25,651,460	103,357,248
Noncurrent Assets			
Capital assets:			
Nondepreciable	44,296,726	113,669,558	157,966,284
Depreciable, net	281,046,321	214,648,635	495,694,956
Total noncurrent assets	325,343,047	328,318,193	653,661,240
Total assets	403,048,835	353,969,653	757,018,488
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	578,115	578,115
Pension	5,694,545	167,176	5,861,721
Total deferred outflows or resources	5,694,545	745,291	6,439,836
LIABILITIES			
Current Liabilities			
Accounts payable	3,986,542	5,914,701	9,901,243
Accrued interest	1,072,030	435,722	1,507,752
Sales tax payable	-	14,491	14,491
Accrued wages payable	548,438	21,732	570,170
Retainage payable	15,705	1,223,464	1,239,169
Unearned revenues	40,813	-	40,813
Customer deposits payable	-	2,102,305	2,102,305
Capital leases due within one year	65,134	-	65,134
Bonds payable due within one year	3,902,359	4,217,574	8,119,933
Compensated absences due within one year	1,860,790	31,791	1,892,581
Total current liabilities	11,491,811	13,961,780	25,453,591
Noncurrent Liabilities			
Liability for self-insurance	1,077,359	-	1,077,359
Capital leases due in more than one year	622,195	-	622,195
Notes payable due in more than one year	-	7,276,100	7,276,100
Bonds payable due in more than one year	77,294,739	60,611,956	137,906,695
Compensated absences due in more than one year	797,481	49,677	847,158
Net pension liability	85,562,097	2,350,659	87,912,756
Death benefit claims	28,000	-	28,000
Total noncurrent liabilities	165,381,871	70,288,392	235,670,263
Total liabilities	176,873,682	84,250,172	261,123,854
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	26,689,156	-	26,689,156
Deferred charges on refundings	-	38,791	38,791
Total deferred inflows of resources	26,689,156	38,791	26,727,947
NET POSITION			
Net investment in capital assets	257,087,790	258,281,256	515,369,046
Restricted for:			
Public safety	158,601	-	158,601
Capital projects	3,224,637	-	3,224,637
Unrestricted	(55,290,486)	12,144,725	(43,145,761)
Total net position	\$ 205,180,542	\$ 270,425,981	\$ 475,606,523

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

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,041,866	\$ 4,656,871	\$ 2,417,526	\$ -	\$ (967,469)	\$ -	\$ (967,469)
Public safety	32,768,185	2,266,431	-	1,001,951	(29,499,803)	-	(29,499,803)
Public works	14,172,099	343,987	-	23,000,624	9,172,512	-	9,172,512
Health and welfare	7,946	-	-	-	(7,946)	-	(7,946)
Economic development	2,911,397	-	-	-	(2,911,397)	-	(2,911,397)
Culture and recreation	7,846,167	175,904	-	-	(7,670,263)	-	(7,670,263)
Interest	2,945,000	-	-	-	(2,945,000)	-	(2,945,000)
Total governmental activities	<u>68,692,660</u>	<u>7,443,193</u>	<u>2,417,526</u>	<u>24,002,575</u>	<u>(34,829,366)</u>	<u>-</u>	<u>(34,829,366)</u>
Business-type activities:							
Water and Sewer	37,578,531	29,702,276	-	-	-	(7,876,255)	(7,876,255)
Joseph T. Jones Park	3,047,369	1,707,491	-	-	-	(1,339,878)	(1,339,878)
Gulfport Redevelopment Commission	1,697,689	778,053	-	-	-	(919,636)	(919,636)
Total business-type activities	<u>42,323,589</u>	<u>32,187,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,135,769)</u>	<u>(10,135,769)</u>
Total primary government	<u>\$ 111,016,249</u>	<u>\$ 39,631,013</u>	<u>\$ 2,417,526</u>	<u>\$ 24,002,575</u>	<u>(34,829,366)</u>	<u>(10,135,769)</u>	<u>(44,965,135)</u>
General revenues:							
Property taxes, levied for special purposes					25,143,009	-	25,143,009
Property taxes, levied for general purposes					1,036,381	-	1,036,381
Sales taxes					23,370,081	-	23,370,081
Franchise taxes					3,768,997	-	3,768,997
Gaming fees					3,991,565	-	3,991,565
Earnings on investments					566,954	86,570	653,524
Gain on sale of capital assets					-	-	-
Transfers					(37,135,725)	37,135,725	-
Total general revenues and transfers					<u>20,741,262</u>	<u>37,222,295</u>	<u>57,963,557</u>
Change in net position					(14,088,104)	27,086,526	12,998,422
Net position, beginning of year					219,268,646	243,339,455	462,608,101
Net position, end of year					<u>\$ 205,180,542</u>	<u>\$ 270,425,981</u>	<u>\$ 475,606,523</u>

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

Governmental Fund Financial Statements

General Fund (major fund) – This fund is used to account for all governmental sources and uses of financial resources applicable to the general operations of the City of Gulfport, Mississippi, which are not legally or by sound financial management to be accounted for in another fund.

Capital Projects Fund (major fund) – This fund is used to account for tax revenues and certain government grants specifically committed for the construction of major capital facilities and public improvement projects not otherwise funded by general obligation bonds.

Community Development Block Grant Fund (major fund) – This fund is used to account for all federal, state and local grants and contributions that are to be used in improving low-income housing in the community.

Debt Service Fund (major fund) – This fund is used to account for the payment of principal and interest on the City's outstanding debt.

Nonmajor Governmental Funds are presented by fund type in the supplementary section.

CITY OF GULFPORT, MISSISSIPPI

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

ASSETS	General	Capital Projects Fund	Community Development Block Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 456,685	\$ 251,733	\$ 8,506,852	\$ -	\$ 904,508	\$ 10,119,778
Receivables						
Property tax	20,953,364	-	-	4,918,593	971,087	26,843,044
Sales tax	4,039,514	-	-	-	-	4,039,514
Franchise taxes	1,026,576	-	-	-	-	1,026,576
Gaming fees	403,553	-	-	-	-	403,553
Intergovernmental receivable	3,050	1,805,766	1,592,407	-	-	3,401,223
Court fines and fees	6,133,480	-	-	-	-	6,133,480
Other	83,675	-	-	-	-	83,675
Due from other funds	17,115,971	455,436	-	-	2,320,129	19,891,536
Restricted assets:						
Cash equivalents	-	-	-	-	153,181	153,181
Investments	-	-	-	13,644,875	-	13,644,875
Total assets	<u>\$ 50,215,868</u>	<u>\$ 2,512,935</u>	<u>10,099,259</u>	<u>18,563,468</u>	<u>\$ 4,348,905</u>	<u>\$ 85,740,435</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,320,915	\$ 574,521	\$ 163,563	\$ 890,165	\$ 170	\$ 3,949,334
Retainage payable	-	-	15,705	-	-	15,705
Accrued wages payable	544,400	-	4,038	-	-	548,438
Unearned revenues	40,813	-	-	-	-	40,813
Due to other funds	525,892	4,640,257	4,954,604	1,730,277	-	11,851,030
Total liabilities	<u>3,432,020</u>	<u>5,214,778</u>	<u>5,137,910</u>	<u>2,620,442</u>	<u>170</u>	<u>16,405,320</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable intergovernmental revenue	-	1,179,781	4,560	-	-	1,184,341
Unavailable permit revenue	72,975	-	-	-	-	72,975
Unavailable property tax revenue	20,833,389	-	-	4,890,270	965,497	26,689,156
Unavailable court fine revenue	6,133,480	-	-	-	-	6,133,480
Total deferred inflows of resources	<u>27,039,844</u>	<u>1,179,781</u>	<u>4,560</u>	<u>4,890,270</u>	<u>965,497</u>	<u>34,079,952</u>
FUND BALANCES						
Restricted for:						
Public safety	-	-	-	-	158,601	158,601
Capital projects	-	-	-	-	3,224,637	3,224,637
Debt service	-	-	-	11,052,756	-	11,052,756
Committed for:						
Capital projects	-	-	4,956,789	-	-	4,956,789
Unassigned	19,744,004	(3,881,624)	-	-	-	15,862,380
Total fund balances	<u>19,744,004</u>	<u>(3,881,624)</u>	<u>4,956,789</u>	<u>11,052,756</u>	<u>3,383,238</u>	<u>35,255,163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,215,868</u>	<u>\$ 2,512,935</u>	<u>\$ 10,099,259</u>	<u>\$ 18,563,468</u>	<u>\$ 4,348,905</u>	<u>\$ 85,740,435</u>

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

CITY OF GULFPORT, MISSISSIPPI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2020

Total governmental funds balance		\$ 35,255,163
Amounts reported for governmental activities in the statement of net position are different because:		
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.		
Governmental capital assets	\$ 502,000,548	
Less: accumulated depreciation	<u>(176,657,501)</u>	325,343,047
Long-term liabilities are not due and payable in the current period expenditures and, therefore, are not reported in the governmental funds.		
Bonds payable	\$ (76,137,464)	
Capital leases payable	(687,329)	
Compensated absences	(2,658,271)	
Claims payable	<u>(28,000)</u>	(79,511,064)
Governmental funds report the effect of discounts, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond premium		(5,059,634)
Other long-term assets are not available to pay or current period expenditures and, therefore, are unavailable in the funds.		
Court fines receivable	\$ 6,133,480	
Permit receivable	72,975	
Intergovernmental receivable	<u>1,184,341</u>	7,390,796
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		
		(85,562,097)
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		5,694,545
Internal service funds are used by management to charge the costs of various internal operations to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position as follows:		
Current assets	\$ 4,476,802	
Current liabilities	(697,627)	
Estimated claims payable	<u>(1,077,359)</u>	2,701,816
Accrued interest not due and payable in the current period expenditures and, therefore, not reported in the funds.		
		<u>(1,072,030)</u>
Net position of governmental activities		<u><u>\$ 205,180,542</u></u>

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

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	Capital Projects Fund	Community Development Block Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 20,519,209	\$ -	\$ -	\$ 4,623,800	\$ 1,036,381	\$ 26,179,390
Sales tax	23,370,081	-	-	-	-	23,370,081
Franchise taxes	3,768,997	-	-	-	-	3,768,997
Licenses and permits	1,237,082	-	-	-	-	1,237,082
Intergovernmental	7,253,032	17,465,934	3,826,704	189,322	2,546,820	31,281,812
Charges for services	2,660,429	-	-	-	-	2,660,429
Fines and forfeitures	966,516	-	-	-	-	966,516
Interest income	470,018	1,827	893	-	5,981	478,719
Miscellaneous	1,040,276	-	267,719	-	-	1,307,995
Total revenues	<u>61,285,640</u>	<u>17,467,761</u>	<u>4,095,316</u>	<u>4,813,122</u>	<u>3,589,182</u>	<u>91,251,021</u>
EXPENDITURES						
Current:						
General government	8,652,627	-	-	-	-	8,652,627
Public safety	29,669,267	-	-	-	1,087,497	30,756,764
Public works	9,814,908	-	-	-	-	9,814,908
Economic development	2,081,719	-	290,187	-	-	2,371,906
Culture and recreation	5,545,440	-	-	-	16,521	5,561,961
Capital outlay	-	3,962,700	992,913	-	183,828	5,139,441
Debt service:						
Principal	-	-	-	11,848,276	-	11,848,276
Interest	-	-	-	2,761,407	-	2,761,407
Other debt service costs	-	-	-	855,210	-	855,210
Total expenditures	<u>55,763,961</u>	<u>3,962,700</u>	<u>1,283,100</u>	<u>15,464,893</u>	<u>1,287,846</u>	<u>77,762,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,521,679</u>	<u>13,505,061</u>	<u>2,812,216</u>	<u>(10,651,771)</u>	<u>2,301,336</u>	<u>13,488,521</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	67,918	-	-	-	29,653	97,571
Issuance of debt	-	-	-	23,580,164	-	23,580,164
Transfers out	-	(36,846,876)	-	(288,849)	-	(37,135,725)
Total other financing sources (uses)	<u>67,918</u>	<u>(36,846,876)</u>	<u>-</u>	<u>23,291,315</u>	<u>29,653</u>	<u>(13,457,990)</u>
Net change in fund balances	5,589,597	(23,341,815)	2,812,216	12,639,544	2,330,989	30,531
FUND BALANCES (DEFICITS), beginning of year	<u>14,154,407</u>	<u>19,460,191</u>	<u>2,144,573</u>	<u>(1,586,788)</u>	<u>1,052,249</u>	<u>35,224,632</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 19,744,004</u>	<u>\$ (3,881,624)</u>	<u>\$ 4,956,789</u>	<u>\$ 11,052,756</u>	<u>\$ 3,383,238</u>	<u>\$ 35,255,163</u>

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

CITY OF GULFPORT, 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 - total governmental funds.	\$	30,531
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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. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 5,559,042	
Depreciation	<u>(8,713,421)</u>	(3,154,379)

Proceeds from the sale of capital assets are recorded as other sources of income in the Statement of Revenues, Expenditures and Changes in Fund Balances, however, these proceeds are offset by disposal of assets to show gains or losses from the sale of capital assets in the Statement of Activities.

(67,896)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of debt	\$ 11,848,276	
Bond proceeds	(23,580,164)	
Bond premiums amortization	<u>663,256</u>	(11,068,632)

Because some revenues will not be collected for several months after the City's fiscal year-end, they are considered "available" revenues in the governmental funds.

Amounts not meeting prior year availability criteria, recognized in the governmental funds in current year:

Fines and forfeitures		1,233,869
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Amounts not meeting current year availability criteria, not recognized in the governmental funds in current year:

Intergovernmental	\$ (870,146)	
Permits	<u>37,302</u>	(832,844)

Pension expense and other related activity do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.

Additional pension expense		(1,301,193)
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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.

Accrued interest payable	\$ 8,361	
Compensated absences	<u>(9,002)</u>	(641)

Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.

		<u>1,073,081</u>
	\$	<u>(14,088,104)</u>

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

Proprietary Fund Financial Statements

Water and Sewer Fund (major fund) – This fund is used to account for the activities of the Water and Sewer operations of the City of Gulfport, Mississippi.

Gulfport Redevelopment Commission Fund (major fund blended component unit) – The Commission's sole purpose is to finance, develop and manage City owned property. Its assets were received from the City and consist of the south parcel of the VA property given to the City by the Department of Veteran Affairs in 2009.

Joseph T. Jones Park Fund (nonmajor fund) – This fund is used to account for operations, maintenance, and leasing of boat slips and other facilities within the Joseph T. Jones Memorial Park.

Internal Service Funds are presented in the supplementary section.

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2020

	Water and Sewer Fund	Gulfport Redevelopment Commission	Nonmajor Fund Joseph T. Jones Park Fund	Totals	Governmental Activities Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 3,944,312	\$ 399,060	\$ 15,815	\$ 4,359,187	\$ 3,327,874
Accounts receivable, net of allowances	2,596,803	4,524,452	70,347	7,191,602	-
Inventory	-	-	17,474	17,474	-
Due from other funds	694,882	-	-	694,882	120,456
Prepaid insurance	-	10,000	-	10,000	1,028,472
Restricted assets:					
Cash	5,517,004	-	10,600	5,527,604	-
Investments	16,046,136	-	-	16,046,136	-
Total current assets	<u>28,799,137</u>	<u>4,933,512</u>	<u>114,236</u>	<u>33,846,885</u>	<u>4,476,802</u>
NON-CURRENT ASSETS					
Capital assets:					
Land	659,327	29,963,149	592,970	31,215,446	-
Construction in progress	5,109,969	77,344,143	-	82,454,112	-
Buildings	-	5,905,150	3,994,210	9,899,360	-
Improvements and infrastructure	276,078,541	-	23,909,422	299,987,963	-
Machinery and equipment	3,134,420	22,995	1,644,381	4,801,796	-
Vehicles	3,349,275	-	71,916	3,421,191	-
Equipment under capital leases	467,138	-	-	467,138	-
Less: accumulated depreciation	<u>(94,648,511)</u>	<u>(2,144,111)</u>	<u>(7,136,191)</u>	<u>(103,928,813)</u>	<u>-</u>
Total non-current assets	<u>194,150,159</u>	<u>111,091,326</u>	<u>23,076,708</u>	<u>328,318,193</u>	<u>-</u>
Total assets	<u>222,949,296</u>	<u>116,024,838</u>	<u>23,190,944</u>	<u>362,165,078</u>	<u>4,476,802</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refundings	578,115	-	-	578,115	-
Deferred amounts on pension	111,451	-	55,725	167,176	-
Total deferred outflows of resources	<u>\$ 689,566</u>	<u>\$ -</u>	<u>\$ 55,725</u>	<u>\$ 745,291</u>	<u>\$ -</u>

(Continued)

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2020

	Water and Sewer Fund	Gulfport Redevelopment Commission	Nonmajor Fund Joseph T. Jones Park Fund	Totals	Governmental Activities Internal Service Fund
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	\$ 4,694,854	\$ 1,131,269	\$ 88,578	\$ 5,914,701	\$ 37,208
Accrued interest	332,167	103,555	-	435,722	-
Sales tax payable	14,311	-	180	14,491	-
Accrued wages payable	17,192	-	4,540	21,732	-
Retainage payable	116,805	1,106,659	-	1,223,464	-
Due to other funds	6,212,794	-	1,982,631	8,195,425	660,419
Liability for self-insurance claims	-	-	-	-	1,077,359
Bonds payable	4,217,574	-	-	4,217,574	-
Notes payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Compensated absences	18,928	-	12,863	31,791	-
Customer deposits	2,091,705	-	10,600	2,102,305	-
Total current liabilities	<u>17,716,330</u>	<u>2,341,483</u>	<u>2,099,392</u>	<u>22,157,205</u>	<u>1,774,986</u>
NON-CURRENT LIABILITIES					
Bonds payable	60,611,956	-	-	60,611,956	-
Notes payable	-	7,276,100	-	7,276,100	-
Leases payable	-	-	-	-	-
Net pension liability	1,567,106	-	783,553	2,350,659	-
Compensated absences	44,164	-	5,513	49,677	-
Total non-current liabilities	<u>62,223,226</u>	<u>7,276,100</u>	<u>789,066</u>	<u>70,288,392</u>	<u>-</u>
Total liabilities	<u>79,939,556</u>	<u>9,617,583</u>	<u>2,888,458</u>	<u>92,445,597</u>	<u>1,774,986</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts on refunding	38,791	-	-	38,791	-
Deferred amount on pensions	-	-	-	-	-
Total deferred inflows of resources	<u>38,791</u>	<u>-</u>	<u>-</u>	<u>38,791</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	131,389,322	103,815,226	23,076,708	258,281,256	-
Unrestricted	12,271,193	2,592,029	(2,718,497)	12,144,725	2,701,816
Total net position	<u>\$ 143,660,515</u>	<u>\$ 106,407,255</u>	<u>\$ 20,358,211</u>	<u>\$ 270,425,981</u>	<u>\$ 2,701,816</u>

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

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewer Fund	Gulfport Redevelopment Commission	Nonmajor Fund Joseph T. Jones Park Fund	Totals	Governmental Activities Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 29,343,196	\$ 161,517	\$ 907,265	\$ 30,411,978	\$ -
Employee contributions	-	-	-	-	1,106,131
Retiree contributions	-	-	-	-	114,852
Employer contributions and estimate changes	-	-	-	-	6,588,356
Miscellaneous	359,080	616,536	800,226	1,775,842	1,365,487
Total operating revenues	<u>29,702,276</u>	<u>778,053</u>	<u>1,707,491</u>	<u>32,187,820</u>	<u>9,174,826</u>
OPERATING EXPENSES					
Personal services	223,403	-	552,348	775,751	-
Contractual services	25,212,914	1,329,134	1,045,701	27,587,749	-
Materials and supplies	2,026,263	-	542,098	2,568,361	-
Administrative expenses	1,606,266	-	77,974	1,684,240	534,916
Premium payments	-	-	-	-	2,234,824
Claims	-	-	-	-	5,420,240
Capital outlay	-	-	123,800	123,800	-
Depreciation expense	6,133,970	94,502	705,448	6,933,920	-
Total operating expenses	<u>35,202,816</u>	<u>1,423,636</u>	<u>3,047,369</u>	<u>39,673,821</u>	<u>8,189,980</u>
Operating income (loss)	<u>(5,500,540)</u>	<u>(645,583)</u>	<u>(1,339,878)</u>	<u>(7,486,001)</u>	<u>984,846</u>
NON-OPERATING INCOME (EXPENSES)					
Loss on disposal of capital assets	(46,769)	-	-	(46,769)	-
Interest income	83,902	-	2,668	86,570	88,235
Interest expense	(1,376,489)	(274,053)	-	(1,650,542)	-
Other debt service costs	(952,457)	-	-	(952,457)	-
Total non-operating income (expenses)	<u>(2,291,813)</u>	<u>(274,053)</u>	<u>2,668</u>	<u>(2,563,198)</u>	<u>88,235</u>
Gain (Loss) before capital transfers	<u>(7,792,353)</u>	<u>(919,636)</u>	<u>(1,337,210)</u>	<u>(10,049,199)</u>	<u>1,073,081</u>
TRANSFERS IN	<u>-</u>	<u>37,135,725</u>	<u>-</u>	<u>37,135,725</u>	<u>-</u>
Change in net position	(7,792,353)	36,216,089	(1,337,210)	27,086,526	1,073,081
Net position, beginning of year	<u>151,452,868</u>	<u>70,191,166</u>	<u>21,695,421</u>	<u>243,339,455</u>	<u>1,628,735</u>
Net position, end of year	<u>\$ 143,660,515</u>	<u>\$ 106,407,255</u>	<u>\$ 20,358,211</u>	<u>\$ 270,425,981</u>	<u>\$ 2,701,816</u>

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

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewer Fund	Gulfport Redevelopment Commission	Nonmajor Fund Joseph T. Jones Park Fund	Totals	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 29,457,953	\$ 778,053	\$ 1,695,811	\$ 31,931,817	\$ -
Cash received from other operating receipts	-	-	-	-	496,113
Cash received from employees and others	-	-	-	-	1,972,497
Cash received from employer contributions	-	-	-	-	6,588,356
Payments to employees	(960,859)	-	-	(960,859)	(8,912,488)
Payments to suppliers	(24,450,641)	(7,646,571)	-	(32,097,212)	-
Payments for contractual services	-	-	(1,206,103)	(1,206,103)	-
Payments for other goods and services	-	-	(549,701)	(549,701)	-
Net cash provided by (used in) operating activities	4,046,453	(6,868,518)	(59,993)	(2,882,058)	144,478
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	-	37,135,725	-	37,135,725	-
Net cash provided by noncapital financing activities	-	37,135,725	-	37,135,725	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,927,974)	(24,200,916)	-	(27,128,890)	-
Proceeds from sale of capital assets	15,850	-	-	15,850	-
Proceeds from issuance of debt	35,819,836	-	-	35,819,836	-
Principal payments on debt	(18,622,055)	-	-	(18,622,055)	-
Principal payments on notes payable	-	(5,550,126)	-	(5,550,126)	-
Payments of bond issuance cost	(952,457)	-	-	(952,457)	-
Interest paid on debt	(1,561,877)	(288,849)	-	(1,850,726)	-
Net cash provided by (used in) capital related financing activities	11,771,323	(30,039,891)	-	(18,268,568)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	(16,043,412)	-	-	(16,043,412)	-
Interest received	83,902	-	2,668	86,570	88,235
Net cash provided by investing activities	(15,959,510)	-	2,668	(15,956,842)	88,235
Increase (decrease) in cash and cash equivalents	(141,734)	227,316	(57,325)	28,257	232,713
Cash and cash equivalents:					
Beginning of year	9,603,050	171,744	83,740	9,858,534	3,095,161
End of year	\$ 9,461,316	\$ 399,060	\$ 26,415	\$ 9,886,791	\$ 3,327,874
Classified as:					
Cash and cash equivalents	\$ 3,944,312	\$ 399,060	\$ 15,815	\$ 4,359,187	\$ 3,327,874
Restricted assets, cash	5,517,004	-	10,600	5,527,604	-
	\$ 9,461,316	\$ 399,060	\$ 26,415	\$ 9,886,791	\$ 3,327,874

(Continued)

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewer Fund	Gulfport Redevelopment Commission	Nonmajor Fund Joseph T. Jones Park Fund	Totals	Governmental Activities Internal Service Fund
Reconciliation of operating income					
(loss) to net cash provided by (used in)					
operating activities:					
Operating income (loss)	\$ (5,500,540)	\$ (645,583)	\$ (1,339,878)	\$ (7,486,001)	\$ 984,846
Adjustments to reconcile operating income					
(loss) to net cash provided by					
(used in) operating activities:					
Depreciation	6,133,970	94,502	705,448	6,933,920	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	134,923	(2,809,941)	(11,680)	(2,686,698)	-
Increase in due from other funds	(379,246)	-	-	(379,246)	-
Increase in prepaid expenses	-	-	-	-	(111,236)
Increase in deferred outflows - pension	(50,554)	-	(35,426)	(85,980)	-
Increase (decrease) in accounts payable	1,640,371	(2,822,516)	(184,159)	(1,366,304)	(545,923)
Increase in sales tax payable	12,759	-	88	12,847	-
Decrease in accrued liabilities	-	-	-	-	(183,209)
Increase (decrease) in retainage payable	31,491	(684,980)	-	(653,489)	-
Increase in due to other funds	3,236,489	-	767,541	4,004,030	-
Decrease in deferred inflows - pension	(26,515)	-	(8,838)	(35,353)	-
Increase (decrease) in net pension liability	(639,344)	-	48,070	(591,274)	-
Decrease in customer deposits	(526,308)	-	-	(526,308)	-
Decrease in compensated absences	(21,043)	-	(1,159)	(22,202)	-
Net cash provided by (used in)					
operating activities	<u>\$ 4,046,453</u>	<u>\$ (6,868,518)</u>	<u>\$ (59,993)</u>	<u>\$ (2,882,058)</u>	<u>\$ 144,478</u>

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

Fiduciary Fund Financial Statements

Fiduciary Funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Combining schedules presented in the supplementary section.

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS SEPTEMBER 30, 2020

ASSETS

Cash	\$	221,667
Assets held for disposal		<u>54,350</u>
Total assets	\$	<u><u>276,017</u></u>

LIABILITIES

Due to others	\$	<u>276,017</u>
Total liabilities	\$	<u><u>276,017</u></u>

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



Notes to the Financial Statements

CITY OF GULFPORT, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Gulfport, Mississippi, (the “City”) was incorporated on July 28, 1898, under the laws of the State of Mississippi. The City operates under a Mayor-Council form of government. The following services are provided by the City: Public Safety (Police, Fire and Protection/Inspection), Street Maintenance, Garbage Collection, Water and Sewer, Social and Recreational, Public Improvements, Planning and Zoning, and General Administrative Services.

A. Reporting Entity

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainders of the notes are organized to provide explanations, including required disclosures, of the City's financial activities.

B. Financial Reporting Entity

The City is a charter city in which citizens elect the mayor at large and seven council members by wards. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Component Unit Disclosure

The criteria for including component unit information with the primary government consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion 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 the data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City presents its component unit using the blended method.

The Gulfport Redevelopment Commission is an Urban Renewal Agency of the City of Gulfport, formed and existing under the “Urban Renewal Laws” of the State of Mississippi, Title 43, Chapter 35, Article I, Mississippi Code of 1972, and its five-member board of commissioners is appointed by the mayor and confirmed by the council of the City of Gulfport. Its sole purpose is to promote and facilitate the urban renewal and development of certain parcels of real property, improvements or other assets or projects as they may be designated from time to time by the City. The Gulfport Redevelopment Commission provides services solely to the City and is reported as an enterprise fund using the blended method.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Continued)

Related Organizations

The Gulfport Municipal Separate School District has been excluded from the reporting entity, because it is an “other stand-alone government”. The school district is a related organization, but not a component unit of the City of Gulfport. 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.

Joint Ventures and Jointly Governed Organizations

Management of the City has identified two joint ventures with the City (Harrison County Utility Authority and Memorial Hospital at Gulfport) and two jointly governed organizations with the City (Harrison County Library System and Gulfport-Biloxi Regional Airport Authority).

A joint venture is a legal entity or other organization that results from 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 an ongoing financial interest or 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.

See Note 17 for more information regarding related organizations not included in the City’s reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation

Government-wide Financial Statements

The City presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities; however, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds.

All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for all capital projects that are not associated with a specific debt issuance.

Community Development Block Grant Fund

This fund is used to account for all federal, state and local grants and contributions that are to be used in improving low-income housing in the community.

Debt Service Fund

This fund is used to account for the payment of principal and interest on the City's outstanding debt.

Proprietary Funds – Business-type Activities

Proprietary Funds are accounted for using the economic resources measurement focus; and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Proprietary Funds – Business-type Activities (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City has presented the following major proprietary funds:

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Gulfport Redevelopment Commission Fund

The Gulfport Redevelopment Commission Fund is used to finance, develop and manage City owned property. Its assets were received from the City and consist of the south parcel of the VA property given to the City by the Department of Veteran Affairs in 2009.

Proprietary Funds – Governmental-type Activities

The City reports Internal Service Funds, which are used to account for the self-funded property and casualty self-insurance, workman's compensation, and self-funded health and disability insurance provided to departments of the City.

Fiduciary Funds

The City reports the Fiduciary Funds which are agency funds that account for resources held by the City in a custodial capacity for other governments, private organizations, or individuals. In addition these funds report for the assets seized by a multi-jurisdictional narcotics task force which are held for final disposition before distribution to participating agencies.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected but unsettled at year-end. A two-month availability period is used for recognition of most other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are franchise taxes, sales taxes and gaming revenues collected and held by the State at year-end on behalf of the City. Licenses and permits, certain charges for services, fines and forfeits and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting (Continued)

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. The nonmajor funds are combined in one column in the fund financial statements and detailing in the combining section.

E. Cash and Investments

The City's cash and cash equivalents are primarily considered to be cash on hand, amounts in demand deposits and certain money market mutual funds. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

The City maintains and controls a major cash pool in which the majority of the City's funds share. Each fund's portion of the pool is on their respective balance sheet as cash and cash equivalents, some of which are restricted assets.

Cash with fiscal agents, along with various investments, are components of an investment account maintained by a fiscal agent. Cash with fiscal agents is that minor portion of the account which is not invested or any particular moment in time. This amount represents the residual cash that the fiscal agent does not have tied up in investment at September 30.

State statutes authorize the City to invest in: 1) direct obligations of the United States government to the payment of which the full faith and credit of the United States government is pledged, 2) certificates of deposit when insured or secured by acceptable collateral, and 3) obligations of the State of Mississippi; or any county, municipality or school district of the State of Mississippi which have been approved by a reputable bond attorney or have been validated by the decree of the chancery court.

Investments are recorded at fair value with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements. Income from short-term interest bearing securities is recognized as earned.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at fair value when published prices are available, or at cost plus accrued interest, which approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

All trade receivables are shown net of an allowance for uncollectible accounts. An allowance in the amount of \$8,117,722 at September 30, 2020, has been reported in the Water and Sewer fund for estimated uncollectible utility charges. The allowance is based on trade receivables in excess of 90 days outstanding.

G. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Transactions between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

I. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year; and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

J. Restricted Assets

Each customer deposits funds with the City when a water and sewer account is opened. These funds are restricted and are held by the City until the customer account is closed, at which time the amounts are refundable to the customer. Also certain debt issues require contingency deposits be maintained separately for future debt payments.

K. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital asset received in service concession arrangements are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been provided over the estimated useful lives using the straight-line method. The following estimated useful lives for proprietary fund assets are used to compute depreciation:

Buildings	40 years
Water and sewer system	50 years
Infrastructure	60 years
Improvements other than buildings	10 – 25 years
Machinery and equipment	5 – 10 years
Vehicles	5 years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of September 30, 2020, the City had deferred outflows of resources associated with bond refundings in the amount of \$578,115 and deferred amounts on pensions in the amount of \$5,861,721 which are reflected in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2020, the City had deferred inflows of resources for property taxes in the amount of \$26,689,156 and deferred amounts associated with bond refunding in the amount of \$38,791, which are reflected in the Statement of Net Position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position

Net position represents the difference between deferred inflows and outflows assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed either through enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

N. Compensated Absences

City policy allows employees hired prior to January 8, 2013, to accumulate all unused vacation, compensatory (comp time) and sick leave. Those hired after January 8, 2013, may not carry annual leave over from year to year without approval. Retiring and terminating employees covered under the Disability and Relief-Municipal Retirement System are paid for all unused vacation, sick leave, and unused comp time. All other employees are paid for up to 30 days of unused vacation and all unused comp time upon retirement or termination, while excess vacation and all accumulated sick leave remaining are counted as creditable service toward retirement.

Generally, vacation, sick leave and compensatory absences vest and are recorded as the obligation is incurred. In the proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year.

The compensated absences liability was computed using the specific identification method whereby the applicable number of vacation and sick hours and all compensatory hours are multiplied by the employee's hourly rate at September 30, 2020. The resulting liability is then increased to include social security and retirement contributions that the City is required to pay upon liquidation of the liability.

O. Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Designations

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balance as follows:

Non-spendable – amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints. The City has no non-spendable fund balances as of September 30, 2020.

Restricted – amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City has a committed fund balance of \$4,956,789 as of September 30, 2020.

Assigned – amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or by an official or body to which the City Council delegates authority. The City has no assigned fund balances as of September 30, 2020.

Unassigned – amounts which include positive fund balances of the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Designations (Continued)

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

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

1. The Finance Division of the Department of Administration prepares estimates of available revenue.
2. Department directors submit proposed expenditure budgets to the Finance Division by June 1 each year.
3. The Finance Division reviews expenditure budgets and necessary revisions are made.
4. Budgeted revenues and expenditures are balanced, and a summary budget is prepared and presented to the Mayor.
5. The Mayor submits the proposed budget to the City Council by August 1.
6. Public hearings are conducted to obtain taxpayer comments.
7. The final budget is approved by September 15 and must be published in a local newspaper on or before September 30.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Data (Continued)

8. The budget is formally amended in July each year, if necessary. However, budget revisions are made throughout the year (prior to July), as reallocations of funds are necessary, a budget deficit is indicated, or circumstances change which dictate the need for a budget amendment.
9. Formal budgetary integration is employed as a management control device for all governmental and proprietary fund types.
10. The legal level of control for all budgets adopted is at the fund level with the exception of the General Fund, which is appropriated at the department level. Administrative control for all budgets is maintained through the establishment of more detailed line-item budgets.
11. The Finance Division of the Department of Administration exercises budgetary monitoring throughout the fiscal year. An adopted budget may not exceed its appropriated level without City Council approval. However, department heads may make transfers of appropriations within a department. Budgetary controls are incorporated into the City's purchasing system. Purchase requisitions entered into the computer system that will cause a line item to exceed its budget will automatically be disallowed. The department head will then be required to make an inter-department budget transfer or request a budget amendment.
12. Encumbrance accounting, under which executed but unperformed purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and are re-appropriated in the next year's budget.
13. Unexpended appropriations lapse at year-end in all funds.

NOTE 3. PROPERTY TAX, GAMING, SALES TAX AND LEASE REVENUES

Property Tax

Harrison County bills and collects the real, personal, and auto ad valorem taxes for the City. Taxes on real and personal property are levied by the City Council at the first regular meeting in September for the ensuing fiscal year, which begins on October 1. Restrictions associated with property tax levies vary with the statutory authority. State law limits the amount of increase in certain property taxes. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount that resulted from the assessments of the previous year plus new construction.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX, GAMING, SALES TAX AND LEASE REVENUES (CONTINUED)

Property Tax (Continued)

Real property taxes become a lien on January 1 and personal property taxes become a lien on March 1 of the current calendar year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All taxes are remitted monthly to the City. In addition, Harrison County also remits to the City a pro-rata share of road and bridge taxes collected by the County. Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue when received. Real property taxes are recognized as revenue when received because most delinquent real property taxes are collected by selling real property for taxes, together with all fees, penalties and damages accruing until date of sale, before the close of the fiscal year.

The remaining amount of real property not sold for taxes at the tax sale is considered immaterial; therefore, no end of year delinquent taxes receivable is recorded. The amount of delinquent personal property taxes unpaid at year-end is also considered immaterial.

The rates are expressed in terms of mills (i.e. ten mills equal one cent). The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt and other purposes for the year ended September 30, 2020 was 34.00 mills or \$34.00 per \$1,000 of assessed valuation.

State law requires the municipality to exercise its taxing authority for the benefit of other governing authorities, which are not a part of the reporting entity. As provided, the municipality must levy specified ad valorem taxes as directed by the other governing authority and turn all proceeds over to it. Accordingly, taxes for the Gulfport School District are also billed and collected by the County and remitted to the City for disbursement to the School District.

Ad valorem taxes collected and settled in accordance with this legal requirement are not recognized as revenues and expenditures of the municipality. The tax levies noted below with respect to the school funds were made in accordance with this legal requirement.

Gaming Tax Revenues

In the early part of 1992, the citizens of Harrison County voted to allow dockside casino gaming as defined by the Mississippi Gaming Control Act of 1990. In May of 1993, the first casino opened in Gulfport. As of September 30, 2020, one casino was operating within the City. Gaming activities are taxed in a variety of ways.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX, GAMING, SALES TAX AND LEASE REVENUES (CONTINUED)

Gaming Tax Revenues (Continued)

The State of Mississippi levies a sliding scale tax on gross gaming revenue, of which Harrison County and the City receive .4% to .8%. This tax is divided: 63% to the County and 37% to the City. The allocation is based upon the population demographics of the last official census. In addition to the State tax, the City, 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 City (20% of which is designated for public safety); 20% to the Gulfport 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	\$ 2,565,264
Local share of state tax	1,710,176
Gaming licenses and permits	<u>268,850</u>
Total gaming revenues	<u><u>\$ 4,544,290</u></u>

Sales Tax Revenues

The State levies a 7% sales tax on retail sales and remits 18.5% of the amount collected (within the corporate boundaries of the City of Gulfport) back to the City monthly. Sales tax revenue reported in the General Fund as of September 30, 2020, was \$23,370,081.

Lease Revenue (Operating Leases)

The City, through the Gulfport Redevelopment Commission, leases property and certain facilities to various tenants within its development sites. The majority of these leases are non-cancelable operating leases. Property leased by the Commission recorded in capital assets is as follows at September 30, 2020:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Land	\$ 18,762,027	\$ -	\$ 18,762,027
Buildings and Improvements	<u>5,105,150</u>	<u>2,080,111</u>	<u>3,025,039</u>
	<u><u>\$ 23,867,177</u></u>	<u><u>\$ 2,080,111</u></u>	<u><u>\$ 21,787,066</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX, GAMING, SALES TAX AND LEASE REVENUES (CONTINUED)

Lease Revenue (Operating Leases) (Continued)

Future minimum rentals for the more significant non-cancelable leases, not including contingent rentals, are as follows at September 30, 2020:

Year Ending September 30,	Amount
2021	25,000
	<u>\$ 25,000</u>

The minimum future rentals for these leases were determined using the rates in effect at September 30, 2020, and also do not consider renewal options which may be available for certain lease contracts. Income under this portion of the leases is not included in future minimum rental amounts. Rental income for fiscal year 2020 received through all leases was \$161,517.

NOTE 4. CASH AND OTHER DEPOSITS AND INVESTMENTS

A. Cash and Other Deposits

The City maintains a cash and investment pool for use by all funds except the Proprietary funds – Internal Service Funds and Fiduciary Funds which either maintain a separate account or have investments held separately by a trustee.

At September 30, 2020, the carrying amount of the City's deposits was \$53,400,303 and the bank balance was \$54,410,432. The difference represents outstanding checks and other reconciling items.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CASH AND OTHER DEPOSITS AND INVESTMENTS (CONTINUED)

A. Cash and Other Deposits (Continued)

The Mississippi State Treasurer manages 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. The collateral for public entities' deposits in financial institutions are 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 a failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace public deposits not covered by the Federal Depository Insurance Corporation. As of September 30, 2020, none of the City's bank balance of \$54,410,432 was exposed to custodial credit risk.

A summary of cash and cash equivalents at September 30, 2020 is as follows:

	Invested in Sweep Account		Non-pooled		
	Unrestricted	Restricted	Unrestricted	Restricted	Total
Governmental funds:					
Major funds:					
General	\$ 354,088	\$ -	\$ 102,597	\$ -	\$ 456,685
Capital Projects	251,733	-	-	-	251,733
Community Development Block Grant	8,503,806	-	3,046	-	8,506,852
Non-major funds	907,993	-	-	13,794,571	14,702,564
Total governmental funds	<u>10,017,620</u>	<u>-</u>	<u>105,643</u>	<u>13,794,571</u>	<u>23,917,834</u>
Proprietary funds:					
Business-type activities:					
Major funds:					
Water and Sewer	-	2,752,833	3,944,312	18,810,307	25,507,452
Gulfport Redevelopment Commission	-	-	15,815	10,600	26,415
Non-major fund	-	-	399,060	-	399,060
Total business-type funds	<u>\$ -</u>	<u>\$ 2,752,833</u>	<u>\$ 4,359,187</u>	<u>\$ 18,820,907</u>	<u>\$ 25,932,927</u>
Governmental-type activities:					
Internal service funds:					
Group Health and Life	\$ 531,864	\$ -	\$ -	\$ -	\$ 531,864
Claims Contingency	-	900,113	-	1,895,897	2,796,010
Total internal service funds	<u>531,864</u>	<u>900,113</u>	<u>-</u>	<u>1,895,897</u>	<u>3,327,874</u>
Total proprietary funds	<u>531,864</u>	<u>3,652,946</u>	<u>4,359,187</u>	<u>20,716,804</u>	<u>29,260,801</u>
Fiduciary funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,667</u>	<u>221,667</u>
Total cash and cash equivalents	<u>\$ 10,549,484</u>	<u>\$ 3,652,946</u>	<u>\$ 4,464,830</u>	<u>\$ 34,733,042</u>	<u>\$ 53,400,302</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CASH AND OTHER DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs). The inputs or methodology used for valuing securities are not an indication of risk.

A summary of the City's investments and the inputs used in valuing the City's investments at September 30, 2020, are as follows:

	<u>Fair Value 9/30/2020</u>	<u>Fair Value Measurement (Level 1)</u>	<u>Fair Value Measurement (Level 2)</u>
Governmental activities:			
Treasury Bonds	<u>\$ 13,644,875</u>	<u>\$ 13,639,227</u>	<u>\$ 5,648</u>
Business-type activities:			
Treasury Bonds	<u>\$ 16,046,136</u>	<u>\$ 16,039,494</u>	<u>\$ 6,642</u>

Custodial Credit Risk – Investments – The custodial credit for investments is the risk that, in the event of the failures 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's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis.

Securities are to be held by a third-party custodian. The investment in the Hancock Horizon Government Money Market Mutual fund is uninsured and unregistered and is not backed by the full faith and credit of the federal government, however are made up exclusively of short-term U.S. Government Securities.

Credit Risk – Investments – Generally, credit risk is the risk that issuers of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations ("NRSROs"). A disclosure of investments by amount and issuer for any issuer that represents 5% or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

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

Taxes receivables:	
Property taxes	\$ 26,843,044
Sales taxes	4,039,514
Franchise taxes	1,026,576
Gaming taxes	403,553
Other	83,675
Total taxes receivables	<u>32,396,362</u>
Customer accounts receivable:	
Customer charges for services (billed)	14,157,107
Customer accounts, earned but unbilled	1,152,217
Less: allowance for doubtful accounts	<u>(8,117,722)</u>
Total customer accounts receivable, net	<u>7,191,602</u>
Total receivables, net	<u><u>\$ 39,587,964</u></u>

The Statement of Net Position includes the following court fines receivables at September 30, 2020:

Court fines receivable	\$ 21,805,075
Less: allowance for doubtful accounts	<u>(15,671,595)</u>
Total court fines receivable, net	<u><u>\$ 6,133,480</u></u>

The governmental funds reported deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Funds also report unavailable revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, deferred inflows of resources were reported in the governmental funds in the amount of \$26,689,156 for property tax assessments not yet due, \$6,133,480 for court fines receivable, \$72,975 for permits receivable, and \$1,184,341 for intergovernmental receivable. At the end of the current fiscal year, unearned revenue in the amount of \$40,813 was reported in the governmental funds.

Amounts reported as due from other governments on the Statement of Net Position are as follows:

Due from other governments:	
State	\$ 3,401,223
Total due from other governments	<u><u>\$ 3,401,223</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. INTERFUND TRANSACTIONS AND BALANCES

Government-wide Financial Statements

Internal Balances

At September 30, 2020, the City had the following internal balances:

Receivable	Payable	Amount
Governmental activities	Business-type activities	\$ 7,500,543

These amounts are shown as a netted amount of short-term loans between governmental and business-type activities. These loans are temporary in nature, bear no interest, and are considered “available spendable resources.”

Fund Financial Statements

The following is a summary of interfund balances at September 30, 2020:

Due From/To Other Funds

Due From	Due To					Total
	General	Capital Projects Fund	Water and Sewer Fund	Internal Service Funds	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 405,436	\$ -	\$ 120,456	\$ -	\$ 525,892
Capital Projects Fund	2,320,128	-	-	-	2,320,129	4,640,257
CDBG Fund	4,954,604	-	-	-	-	4,954,604
Debt Service Fund	1,729,641	-	636	-	-	1,730,277
Water and Sewer Fund	6,212,794	-	-	-	-	6,212,794
Nonmajor Enterprise Funds	1,238,385	50,000	694,246	-	-	1,982,631
Internal Service Funds	660,419	-	-	-	-	660,419
Total	<u>\$ 17,115,971</u>	<u>\$ 455,436</u>	<u>\$ 694,882</u>	<u>\$ 120,456</u>	<u>\$ 2,320,129</u>	<u>\$ 20,706,874</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)

Government-wide Financial Statements (Continued)

Due From/To Other Funds (Continued)

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”.

Transfers In/Out

In addition to the above inter-fund loans, the following transfers were made between funds during the year ended September 30, 2020:

<u>Transfer From</u>	<u>Transfer To</u>	
	<u>Gulfport Redevelopment Commission</u>	<u>Total</u>
Capital Projects Fund	\$ 36,846,876	\$ 36,846,876
Debt Service Fund	288,849	288,849
Total	<u>\$ 37,135,725</u>	<u>\$ 37,135,725</u>

The City transfers funds from the Capital Projects Fund to pay for grant matching requirements and other costs incurred that are originally paid for from other funds. The City also transferred amounts to the Gulfport Redevelopment Commission for construction costs and line of credit principal and interest payments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Capital Asset Activity

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 26,987,214	\$ -	\$ -	\$ -	\$ 26,987,214
Construction in progress	15,848,564	3,013,278	-	(1,552,330)	17,309,512
Total capital assets, not being depreciated	<u>42,835,778</u>	<u>3,013,278</u>	<u>-</u>	<u>(1,552,330)</u>	<u>44,296,726</u>
Capital assets, being depreciated:					
Buildings	79,005,503	655,955	-	-	79,661,458
Improvements other than buildings	47,530,816	74,021	-	342,971	47,947,808
Infrastructure	296,510,920	131,607	-	-	296,642,527
Machinery and equipment	11,297,439	415,139	(83,943)	-	11,628,635
Vehicles	15,660,874	1,269,042	(343,851)	830,000	17,416,065
Equipment under capital leases	4,027,970	-	-	379,359	4,407,329
Total capital assets, being depreciated	<u>454,033,522</u>	<u>2,545,764</u>	<u>(427,794)</u>	<u>1,552,330</u>	<u>457,703,822</u>
Less accumulated depreciation for:					
Buildings	(20,290,085)	(1,452,769)	-	-	(21,742,854)
Improvements other than buildings	(15,976,676)	(1,777,276)	-	-	(17,753,952)
Infrastructure	(110,323,411)	(4,018,404)	-	-	(114,341,815)
Machinery and equipment	(8,468,301)	(534,171)	59,234	-	(8,943,238)
Vehicles	(12,480,508)	(653,862)	300,664	-	(12,833,706)
Equipment under capital leases	(764,997)	(276,939)	-	-	(1,041,936)
Total accumulated depreciation	<u>(168,303,978)</u>	<u>(8,713,421)</u>	<u>359,898</u>	<u>-</u>	<u>(176,657,501)</u>
Total capital assets, being depreciated, net	<u>285,729,544</u>	<u>(6,167,657)</u>	<u>(67,896)</u>	<u>1,552,330</u>	<u>281,046,321</u>
Governmental activities capital assets, net	<u>\$ 328,565,322</u>	<u>\$ (3,154,379)</u>	<u>\$ (67,896)</u>	<u>\$ -</u>	<u>\$ 325,343,047</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Capital Asset Activity (Continued)

The depreciation expense was charged as a direct expense to programs of the primary government as follows:

Governmental activities:	
General government	\$ 259,210
Public safety	1,492,673
Public works	4,274,061
Culture and recreation	2,193,941
Health and welfare	492,869
Economic development	667
	<u>667</u>
Total depreciation expense - governmental activities	<u>\$ 8,713,421</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 31,215,447	\$ -	\$ -	\$ -	\$ 31,215,447
Construction in progress	56,323,000	27,128,890	-	(997,779)	82,454,111
Total capital assets, not being depreciated	<u>87,538,447</u>	<u>27,128,890</u>	<u>-</u>	<u>(997,779)</u>	<u>113,669,558</u>
Capital assets, being depreciated:					
Buildings	9,899,360	-	-	-	9,899,360
Improvements and infrastructure	298,990,183	-	-	997,779	299,987,962
Machinery and equipment	4,862,196	-	(60,400)	-	4,801,796
Vehicles	3,808,224	-	(387,032)	-	3,421,192
Equipment under capital leases	467,138	-	-	-	467,138
Total capital assets, being depreciated	<u>318,027,101</u>	<u>-</u>	<u>(447,432)</u>	<u>997,779</u>	<u>318,577,448</u>
Less accumulated depreciation for:					
Buildings	(2,461,533)	(176,365)	-	-	(2,637,898)
Improvements and infrastructure	(89,467,588)	(6,256,599)	-	-	(95,724,187)
Machinery and equipment	(2,347,674)	(257,486)	36,486	-	(2,568,674)
Vehicles	(2,783,520)	(200,328)	348,329	-	(2,635,519)
Equipment under capital leases	(319,393)	(43,142)	-	-	(362,535)
Total accumulated depreciation	<u>(97,379,708)</u>	<u>(6,933,920)</u>	<u>384,815</u>	<u>-</u>	<u>(103,928,813)</u>
Total capital assets, being depreciated, net	<u>220,647,393</u>	<u>(6,933,920)</u>	<u>(62,617)</u>	<u>997,779</u>	<u>214,648,635</u>
Business-type activities capital assets, net	<u>\$ 308,185,840</u>	<u>\$ 20,194,970</u>	<u>\$ (62,617)</u>	<u>\$ -</u>	<u>\$ 328,318,193</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Capital Asset Activity (Continued)

The depreciation expense was charged as a direct expense to programs of the primary government as follows:

Business-type activities:	
Water and sewer	\$ 6,133,970
Joseph T. Jones Memorial Park	705,448
Gulfport Redevelopment Commission	<u>94,502</u>
Total depreciation expense - business-type activities	<u><u>\$ 6,933,920</u></u>

Net Investment in Capital Assets/Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 26,987,214	\$ 31,215,447
Construction in progress	17,309,512	82,454,111
Other capital assets, net of accumulated depreciation	281,046,321	214,648,635
Add: deferred outflow of resources on refunding	-	578,115
Add: unspent bond proceeds	13,644,875	
Less: outstanding principal	(76,824,793)	
Less: unamortized Premiums	(5,059,634)	
Less: retainage payable	(15,705)	(1,223,464)
Less: related long-term debt outstanding - spent		(69,352,797)
Less: deferred inflow of resources on refunding	<u>-</u>	<u>(38,791)</u>
	<u><u>\$ 257,087,790</u></u>	<u><u>\$ 258,281,256</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LEASES

Capital Leases

In prior fiscal years, the City has obtained lease financing for the purchase of computer equipment, lighting equipment, other machinery and equipment, and fire trucks with accessories. In June 2019, the City obtained lease financing of \$639,209 for the purchase of a sweeper truck. This lease has an interest rate of 2.85% maturing June 2024. Principal and interest payments of \$11,453 are due in monthly installments commencing on July 2019 through June 2024. In November 2018, the City obtained lease financing of \$750,000 for the purchase of a fire truck. This lease has an interest rate of 3.93% maturing November 2028. Principal and interest payments of \$92,146 are due in annual installments commencing on November 2018 through November 2028. Title to the assets is held in the name of the City and the banks as lien holder. The City insures the assets and accounts for the leasing arrangements. During 2020 the City entered into a general obligation restructuring bonds settlement which effectively restructured all of the capital leases except for the fire truck lease into one debt service schedule (2020A). The following is a schedule of the City's capital leases as of September 30, 2020 not included in the debt restructuring:

	Stated Interest Rate	Present Value of Remaining Payments as of September 30, 2020
Governmental activities:		
Fire truck	3.93%	687,329
Total governmental activities		687,329
Total capital lease obligations		\$ 687,329

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LEASES (CONTINUED)

Capital Leases (Continued)

Equipment and related accumulated amortization under capital lease are as follows:

Governmental activities:	
Fire trucks	\$ 1,910,117
Equipment - Lighting	1,705,500
Equipment - Various	1,367,342
Sweeper truck	259,850
Fire truck	749,995
Less: accumulated depreciation	<u>(537,321)</u>
Net value	<u>\$ 5,455,483</u>
Business-type activities:	
Equipment - Various	300,149
Less: accumulated depreciation	<u>(39,383)</u>
Net value	<u>\$ 260,766</u>

As of September 30, 2020, capital lease annual amortizations are as follows:

Year Ending September 30,	Governmental Activities
2021	\$ 92,146
2022	92,146
2023	92,146
2024	92,146
2025	92,146
2026 – 2030	368,585
Less: interest	<u>(141,986)</u>
Present value of remaining payments	<u>\$ 687,329</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT

The following schedule reflects the debt transactions for governmental activities for the year ended September 30, 2020:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 21,837,300	\$ 20,880,164	\$ (1,945,000)	\$ 40,772,464	\$ 2,038,700
Limited obligation bonds	385,000	-	(20,000)	365,000	20,000
Special obligation bonds	38,320,000	-	(3,320,000)	35,000,000	1,230,000
Capital leases payable	4,550,605	2,700,000	(6,563,276)	687,329	65,134
Compensated absences	2,649,269	1,336,843	(1,327,841)	2,658,271	1,860,790
Claims and judgements	28,000	-	-	28,000	-
	67,770,174	24,917,007	(13,176,117)	79,511,064	5,214,624
Plus bond premium	5,722,890	-	(663,256)	5,059,634	613,659
Total governmental activities	<u>\$ 73,493,064</u>	<u>\$ 24,917,007</u>	<u>\$ (13,839,373)</u>	<u>\$ 84,570,698</u>	<u>\$ 5,828,283</u>

The following schedule reflects the debt transactions for business-type activities for the year ended September 30, 2020:

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 21,498,700	\$ 35,819,836	\$ (3,815,000)	\$ 53,503,536	\$ 3,991,300
Special obligation bonds	10,700,000	-	-	10,700,000	-
Notes payable	27,540,501	31,799,006	(52,063,407)	7,276,100	-
Capital leases payable	92,780	-	(92,780)	-	-
Compensated absences	103,670	71,979	(94,181)	81,468	31,791
	59,935,651	67,690,821	(56,065,368)	71,561,104	4,023,091
Plus bond premium	981,388	-	(355,394)	625,994	226,274
Total business-type activities	<u>\$ 60,917,039</u>	<u>\$ 67,690,821</u>	<u>\$ (56,420,762)</u>	<u>\$ 72,187,098</u>	<u>\$ 4,249,365</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

In December 2014, the City issued \$30,000,000 of general obligation bonds with interest rates varying between 1.5-3.4% to fund various capital projects throughout the City. \$16,000,000 of this general obligation bond project was used for governmental related projects and \$14,000,000 was used to fund water and sewer related projects.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General obligation bonds generally are issued as serial bonds with certain amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Interest Rate	Outstanding Amount	Due in one year
Governmental Activities:					
GO Refunding - Public Improvement	\$ 15,025,000	9/10/2014	2.00-5.00%	\$ 7,478,800	\$ 1,265,200
GO Public Improvement	16,000,000	12/18/2014	1.50-3.40%	12,413,500	773,500
GO Restructure Bond Series 2020 A	9,628,000	6/30/2020	1.00-2.31%	9,628,000	-
GO Restructure Bond Series 2020 B	11,252,164	6/30/2020	1.50-2.95%	11,252,164	-
Total governmental activities	<u>\$ 51,905,164</u>			<u>\$ 40,772,464</u>	<u>\$ 2,038,700</u>
Business-type Activities:					
GO Refunding	\$ 2,850,000	9/10/2014	2.00-5.00%	\$ 1,416,200	\$ 239,800
GO Revenue	14,000,000	12/18/2014	1.50-3.40%	10,847,500	676,500
GO Refunding	18,465,000	6/30/2015	2.00-5.00%	5,420,000	3,075,000
GO Restructure Bond Series 2020 A	13,422,000	6/30/2020	1.00-2.31%	13,422,000	-
GO Restructure Bond Series 2020 B	22,397,836	6/30/2020	1.50-2.95%	22,397,836	-
Total business-type activities	<u>\$ 71,134,836</u>			<u>\$ 53,503,536</u>	<u>\$ 3,991,300</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 2,038,700	\$ 758,966	\$ 3,991,300	\$ 795,447	\$ 7,584,413
2022	2,140,800	678,542	954,200	620,221	4,393,763
2023	5,016,090	592,718	4,647,910	435,694	10,692,412
2024	4,550,448	500,491	6,226,552	401,871	11,679,362
2025	4,347,406	416,784	7,045,594	367,779	12,177,563
2026-2030	12,996,976	1,229,396	25,093,024	1,137,247	40,456,643
2031-2035	7,714,509	383,123	5,040,491	339,752	13,477,875
2036-2040	1,967,535	9,010	504,465	7,990	2,489,000
	<u>\$ 40,772,464</u>	<u>\$ 4,569,030</u>	<u>\$ 53,503,536</u>	<u>\$ 4,106,001</u>	<u>\$ 102,951,031</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

In 2020, the City issued General Obligation Restructuring Bonds, Series 2020A and 2020B in the amount of \$23,050,000 and \$33,650,000 respectively as of June 30, 2020. The bonds were issued to restructure debt obligations and to pay the related costs of authorization, issuance, sale, validation, and delivery of Series 2020A and 2020B. The interest rate on the Series 2020A is 1.00 – 2.31% and the interest rate on the Series 2020B bond is 1.50 – 2.95%. The Series 2020A bond was split between general debt obligations and business-type debt obligations 58% and 42% respectively. The Series 2020B bond was split between general debt obligations and business-type debt obligations 67% and 33% respectively.

Prior Year Defeasance of Debt

The City has at various times entered into advance refunding transactions related to certain issues of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in trust and used to purchase securities to meet all debt service requirements of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts were not included in the accompanying financial statements as the City defeased its obligations for payment of the refunded debt upon completion of the refunding transactions.

At September 30, 2020, refunded bond issues and the related principal payable from escrow is as follows:

Bond Issue	Principal Balance
2000 MDB Promissory Note	\$ 2,590,000
2001 MDB Promissory Note	1,085,000
1998 Refunded Bonds	1,760,000
2003 Refunded Bonds	2,795,000
2005 Refunded Water and Sewer Bonds	3,160,000
2007 Refunded Bonds	7,485,000
Total	<u>\$ 18,875,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Limited Obligation Bond

The City issued tax increment financing bonds to encourage economic development of certain areas of the City. The original amount of tax increment financing bonds issued in the prior year was \$480,000. This bond has an interest rate of 4.0% with principal maturing September 2034.

The principal and interest on tax increment financing bonds are paid from the increase in sales tax revenue that is generated from the developed area. These bonds are generally issued as 10 or 20 year serial bonds with varying amounts of principal maturing each year. Tax increment financing bonds outstanding as of September 30, 2020 are as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Outstanding Amount</u>	<u>Due in one year</u>
TIF Bond	\$ 480,000	9/23/2014	4.00%	\$ 365,000	\$ 20,000

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 20,000	\$ 14,600	\$ 34,600
2022	20,000	13,800	33,800
2023	20,000	13,000	33,000
2024	25,000	12,200	37,200
2025	25,000	11,200	36,200
2026-2030	130,000	41,000	171,000
2031-2034	125,000	12,800	137,800
	<u>\$ 365,000</u>	<u>\$ 118,600</u>	<u>\$ 483,600</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Special Obligation Bonds

The City issued special obligation bonds to provide funding for various capital improvement projects. The notes are also direct obligations of the City and pledge the full faith and credit of the City.

<u>Governmental Activities</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Outstanding Amount</u>	<u>Due in one year</u>
SO Refunding -				
Public Improvement Paving	\$ 35,000,000	10/19/2017	\$ 35,000,000	\$ -
	<u>\$ 35,000,000</u>		<u>\$ 35,000,000</u>	<u>\$ -</u>
<u>Business-type Activities</u>				
SO Refunding	\$ 47,565,000	4/7/2005	\$ 10,700,000	\$ -

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,230,000	\$ 1,719,250	\$ -	\$ 561,750	\$ 3,511,000
2022	1,290,000	1,656,250	3,385,000	561,750	6,893,000
2023	1,360,000	1,590,000	3,565,000	384,038	6,899,038
2024	1,430,000	1,520,250	3,750,000	196,875	6,897,125
2025	1,500,000	1,447,000	-	-	2,947,000
2026-2030	8,750,000	5,997,500	-	-	14,747,500
2031-2035	11,225,000	3,513,125	-	-	14,738,125
2036-2039	8,215,000	629,625	-	-	8,844,625
	<u>\$ 35,000,000</u>	<u>\$ 18,073,000</u>	<u>\$ 10,700,000</u>	<u>\$ 1,704,413</u>	<u>\$ 65,477,413</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Notes Payable

Gulfport Redevelopment Commission – Line of Credit

In December 2016, Gulfport Redevelopment Commission (“GRC”) entered into a line of credit arrangement with BancorpSouth Bank, which carries a maximum possible balance of \$14,000,000. This loan has an interest rate of 2.71%. As September 30, 2020, the line of credit balance was \$7,276,100. Collateral used to secure the loan is the assignment of ground lease agreements and is guaranteed by the City of Gulfport.

Compensated Absences

The City's policies relative to compensated absences, method of computing accrued liabilities and reporting are discussed at Note 1. The General Fund and the Water & Sewer Fund has been primarily used in prior years to liquidate the liability for compensated absences.

Claims and Judgments

The City has a commitment to pay life insurance benefits of \$1,000 upon the death of each retiree included in the Firemen's and Policemen's Disability and Relief Plan. The City elected to cancel its insurance policy covering such claims and self-insure these benefits. As a result, a total of \$85,000 was recorded for the 85 remaining retirees receiving benefits effective October 1, 1992. As of September 30, 2020, a total of 28 retirees and employees remain covered under the system. Accordingly, a liability in the amount of \$28,000 has been included in the General Long-Term Debt at September 30, 2020. None of the liability for these benefits is estimated to be paid within one year.

Legal Debt Margin

Legal Debt Margin – The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding general obligation bonded debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a city issues bonds to repair or replace washed out or collapsed bridges on the public roads of the city. As of September 30, 2020, the amount of outstanding general obligation bonded debt was equal to 4.90% of the latest property assessments.

Mississippi law limits the amount of general obligation debt a municipality may issue to 15% of total assessed valuation. Gulfport's total assessed valuation is \$831,371,739; therefore, the 15% limitation equals: \$124,705,761; less general obligation bonds outstanding of \$40,772,464, leaving a margin for further debt issuance of \$83,933,297.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

No-Commitment Debt

In November 2015, the City authorized the Hospital Revenue Refunding Bond, Series 2015A, in the amount of \$8,560,000, with interest rate of 1.5%. This issue refunded the Hospital Revenue and Refunding and Improvement Bonds Series 1994A, in the amount of \$8,500,000, with an interest rate of 5.8% to 6.2%.

In June 2016, the City authorized the Hospital Revenue Refunding Bond, Series 2016, in the amount of \$49,270,000, with interest rate of 5% maturing in 2031. The series 2016 Bonds were issued with a premium of approximately \$9,311,309. This issue refunded the Hospital Revenue Bond, Series 2001, in the amount of \$60,000,000, with an interest rate of 5.5% to 5.8%.

As of September 30, 2020, the aggregate outstanding balance for the Hospital Revenue Refunding Bonds plus unamortized premium was \$49,042,166. These bonds do not constitute a liability of the City, are not a charge against its general credit or taxing powers and, accordingly, are not included in the City's General Long-Term Debt. However, as more fully discussed at Note 16, Memorial Hospital at Gulfport is a joint venture of the City and Harrison County.

NOTE 10. RETIREMENT PLANS

Defined Benefit Pension Plans

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

General Information about the Pension Plans

Public Employees' Retirement System

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Public Employees' Retirement System (Continued)

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public Cities. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring.

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% 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 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007).

PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment ("COLA") payment is made to eligible retirees and beneficiaries. The COLA is equal to 2.75% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2020, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Municipal Retirement Systems

Plan Description. The City contributes to the Municipal Retirement Systems ("MRS") Fire and Police Disability and Relief Funds, an agent multiple-employer defined benefit pension plan administered by the Public Employees' Retirement System of Mississippi. MRS provides retirement and disability benefits and death benefits to plan members and beneficiaries. At June 30, 2020, the date of the most recent actuarial verification available, the MRS are composed of 17 separate municipal retirement and fire and police disability and relief systems. Benefit provisions are established by Miss. Code Ann. 1972 Section 21-29, Articles 1,3,5,7, and annual local and private legislation and may be amended only by the State of Mississippi Legislature.

Benefits provided. Membership in the Fire and Police Disability and Relief Funds was granted to all City uniformed police officers and fire fighters who were not already members of PERS and who were hired prior to July 1, 1976. Employees hired after July 1, 1976 automatically become members of PERS. MRS was fully closed to new members July 1, 1976. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions. As of September 30, 2020, the plan has 83 inactive members or their beneficiaries are currently receiving benefits, no inactive members entitled to but not yet receiving benefits and no active members. Participating employees who retire regardless of age with at least 20 years of credited service are entitled to an annual retirement allowance payable monthly for life, in an amount equal to 50% of their average monthly compensation and an additional 1.7% for each year of credited service over 20 years not to exceed 66-2/3% of average monthly compensation.

Contributions. Plan contributions are based on the value of taxable property adjusted to reflect all property-related contributions, and the millage rates applied to the assessed property. A new funding policy was implemented in February 2011 which extends contributions past 2020. The certified millage rate from the June 30, 2020 valuation is 1.23 mills, therefore, the millage rate effective October 1, 2020, is 1.23 mills.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Net Pension Liability and Pension Expense

At September 30, 2020, the City reported a net pension liability of \$76,004,626 in the governmental activities and \$2,350,659 in the business-type activities for a total of \$78,355,284 for its proportionate share of the PERS net pension liability. A net pension liability in the amount of \$9,557,473 was included within the City's net pension liability for governmental activities for its share of the MRS net pension liability.

The net pension liabilities were measured as of June 30, 2019, 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 PERS net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2020, the City's proportion was 0.405%.

For the year ended September 30, 2020, the City recognized PERS pension expense for governmental activities of \$7,218,639 and \$223,257 for business-type activities. For the year ended September 30, 2020, the City recognized pension expense of \$729,472 was reported for the MRS pension in the governmental activities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Schedule of Changes in Net Pension Liability

The change in Net Pension Liability, for PERS, for the fiscal year ended September 30, 2020 is as follows:

Mississippi Public Employees' Retirement System (PERS)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance	\$ 191,474,223	\$ 117,925,879	\$ 73,548,344
Changes for the year:			
Service cost	2,883,267	-	2,883,267
Interest	13,898,378	-	13,898,378
Differences between expected and actual experience	-	-	-
Assumption changes	908,369	-	908,369
Contributions – employer	-	4,689,551	(4,689,551)
Contributions – employee	-	2,407,105	(2,407,105)
Net investment income	-	3,468,462	(3,468,462)
Benefit payments, including refunds of employee contributions	(12,073,445)	(12,073,445)	-
Administrative expense	-	(79,967)	79,967
Other changes	(6,103,576)	(3,705,652)	(2,397,924)
Net changes	(487,007)	(5,293,946)	4,806,939
Ending Balance	\$ 190,987,216	\$ 112,631,933	\$ 78,355,283

A schedule of Net Changes in the City's Proportionate Share of Net Pension Liability and Related Ratios, in addition to the information above, includes multi-year trend information (beginning with FY 2017) and is presented in the Required Supplementary Information Section as listed in the table of contents.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Schedule of Changes in Net Pension Liability (Continued)

The change in Net Pension Liability, for MRS, for the fiscal year ended September 30, 2020 is as follows:

Mississippi Municipal Retirement Systems' Fire and Police Disability and Relief Funds (MRS)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance	\$ 18,097,413	\$ 9,031,161	\$ 9,066,252
Changes for the year:			
Interest	1,332,995	-	1,332,995
Differences between expected and actual experience	(84,918)	-	(84,918)
Assumption changes	-	-	-
Contributions – employer	-	521,352	(521,352)
Net investment income	-	245,931	(245,931)
Benefit payments, including refunds of employee contributions	(1,794,964)	(1,794,964)	-
Administrative expense	-	(10,427)	10,427
Other changes	-	-	-
Net changes	(546,887)	(1,038,108)	491,221
Ending Balance	\$ 17,550,526	\$ 7,993,053	\$ 9,557,473

A schedule the City's Proportionate Share of the Net Changes in Net Pension Liability and Related Ratios – MRS, in addition to the information above, includes multi-year trend information (beginning with FY 2017), and is presented in the Required Supplementary Information Section as listed in the table of contents.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	PERS		MRS	Total
	Governmental Activities	Business-type Activities	Governmental Activities	
Differences between expected and actual experience	\$ 659,729	\$ 20,404	\$ -	\$ 680,133
Changes in actuarial assumptions	425,172	13,150	-	438,322
Net difference between projected and actual earnings on pension plan investments	3,121,979	96,556	289,186	3,507,721
City contributions subsequent to the measurement date	1,198,479	37,066	-	1,235,545
Total	<u>\$ 5,405,359</u>	<u>\$ 167,176</u>	<u>\$ 289,186</u>	<u>\$ 5,861,721</u>

At September 30, 2020, the City did not report any deferred inflows of resources related to pensions.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Within the deferred outflows and inflows, a net amount of \$1,235,545 of deferred outflows of resources is related to pensions resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability in the year ending September 30, 2021.

Under the PERS retirement plan deferred liabilities and assets, with the exception of differences between projected and actual investment earnings, are amortized over the average of expected remaining service lives. Differences between projected and actual investment earnings are amortized over five years.

Under the MRS pension plan, unfunded liabilities are amortized over a closed 30-year period from within 15 years remaining as of June 30, 2020, as a level percent of the municipality's assessed valuation.

The remaining net amount of \$4,626,176 reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30,</u>	<u>PERS</u>	<u>MRS</u>	<u>Total</u>
2021	\$ 276,952	\$ (5,854)	\$ 271,098
2022	1,496,915	104,457	1,601,372
2023	1,526,004	109,736	1,635,740
2024	1,037,119	80,847	1,117,966
	<u>\$ 4,336,990</u>	<u>\$ 289,186</u>	<u>\$ 4,626,176</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

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

	PERS	MRS
Inflation	2.75%	3.00%
Salary increases	3.00 - 18.25%, including inflation	3.25 - 4.75%, including inflation
Investment rate of return	7.75% (net of pension plan investment expense, including inflation)	6.50% (net of pension plan investment expense, including inflation)

The table for post-retirement mortality rates used in evaluating allowances to be paid was 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.
- Projection scale MP-2018 is used to project future improvements in life expectancy generationally.

The PubT.H-2010 Disabled Retiree Table is used for disabled retirees with the following adjustments – 137% of male rates at all ages and 115% of female rates at all ages. Projection scale MP-2018 to project future improvements in life expectancy generationally.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the four-year period ended June 30, 2018. The experience report is dated October 9, 2018.

For the PERS pension plan, the long-term expected rate of return on the investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of the plans' investment expense and the assumed rate of inflation) 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 rate of return by the target asset allocation percentage and by adding expected inflation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.00
Total	<u>100.00 %</u>	

For the MRS pension plan, the actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. Actuarial value of assets was set equal to the market value on September 30, 2006, and smoothing commenced in 2007. Actuarial assets were allocated to individual cities in the same proportion that their market value of assets was to the total market value of assets for all cities.

Discount Rate

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability 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 one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share PERS	\$ 101,421,287	\$ 78,355,283	\$ 59,316,563
City's proportionate share MRS	11,024,277	9,557,473	8,291,188

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS financial reports for PERS and MRS plans which can be obtained at www.pers.ms.gov.

Five-year Trend Information

The following table provides the employer contribution to PERS and MRS for the last five fiscal years:

Year ended September 30,	Employer Contributions	
	PERS	MRS
2020	\$ 4,742,904	\$ 521,352
2019	4,340,112	898,820
2018	4,344,857	945,713
2017	4,275,125	997,404
2016	4,232,508	899,471

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Deferred Compensation Plan

The Mississippi PERS offers the City's employees voluntary participation in a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, the Plan was amended by the State in accordance with the provisions of IRC Section 457(g). On that date, assets of the Plan were placed in trust by the State for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribe that the assets are no longer subject to the claims of the City's general creditors. Accordingly, the assets and the liabilities for the compensation deferred by plan participants were removed from the City's financial statements during the year ended September 30, 1997. As of September 30, 2020 and 2019, assets held by PERS for participants employed by the City of Gulfport, Mississippi approximated \$7,354,560 and \$5,572,747, respectively.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

The City of Gulfport Insurance Committee administers the City's self-insured medical and dental plan. City retirees may obtain health and dental insurance by participating in a group with active employees. The retirees now pay 100% of their health insurance premiums, therefore, the City no longer has a post-employment healthcare benefit reportable under GASB 75 as a single employer defined benefit health care plan.

NOTE 12. UNEMPLOYMENT COMPENSATION FUND

In accordance with Mississippi Code Section 71-5-359(f), the City has obtained a surety bond and posted this bond with the Mississippi Employment Security Commission in lieu of maintaining a cash reserve.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT

Description

The City's risk management activities are recorded in the Claims Contingency Fund and the Group Life and Health Fund. The purpose of these funds is to administer general liability, police professional liability, automobile and property liability, workers' compensation, employee life, and employee health insurance programs of the City on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City.

In compliance with the Tort Claims Act, Chapter 46 of Title 11 and as amended by the 1993 Legislature, Section 11-46-17(3) requires all municipalities from and after October 1, 1993, to obtain such policies of insurance, establish self-insurance reserves, or provide a combination of insurance and reserves necessary to cover all risks of claims and suits for which a municipality may be liable under the Tort Claims Act. In order to assure compliance with the Tort Claims Act, House Bill 417 established the Mississippi Tort Claims Board. Municipalities are required to submit plans of insurance, self-insurance and or reserves to the Tort Claims Board for approval.

The City is in compliance with the above by providing a combination of insurance and reserves for its tort liabilities, as well as for all of its other risk management activities. A description of these programs is included below.

Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The following summary reflects the City's insurance coverage and self-insured risk retention ("SIR"):

Workers' Compensation

Per occurrence deductible (SIR)	\$	750,000
Per occurrence deductible (Public Safety)	\$	1,000,000
Annual aggregate risk of loss through deductibles	\$	2,967,009
Specific excess coverage in force		Statutory

Employee Health Insurance

Per occurrence deductible (SIR)	\$	160,000
Annual aggregate risk of loss through deductibles		No Limit

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT (CONTINUED)

Description (Continued)

General and Other Liability Coverage

Per occurrence deductible (SIR)	\$	100,000
Annual aggregate risk of loss through deductibles	\$	700,000
MS statutory cap	\$	500,000
Specific excess coverage in force		
General liability, Employee benefit plan liability	\$1 million/occurrence; \$3 million aggregate	
Professional liability	\$2 million/occurrence; \$4 million aggregate	
Automobile, Garagekeepers liability	\$1 million / \$250,000	
CyberFirst liability	\$1 million aggregate	

Property Coverage

Named windstorm	7.5% Per Occurrence, Per Location, subject to \$50K Minimum	
All other wind		50,000
All other perils		\$100,000/occurrence
Wind on water towers		No coverage
Specific excess coverage in force		
Buildings		82,965,049
Contents		6,541,775
Signs		14,624,871

Claims Liability

The City records an estimated liability for employee health care, workers' compensation, torts, and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT (CONTINUED)

Unpaid Claims Liabilities

The funds establish a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the City from October 1, 2019 to September 30, 2020:

	<u>Claims Contingency</u>	<u>Group Health and Life</u>
Liability balance, October 1, 2018	\$ 797,828	\$ 329,822
Claims and changes in estimates	581,007	5,761,810
Claims payments	(641,810)	(5,625,122)
Liability balance, September 30, 2019	737,025	466,510
Claims and changes in estimates	704,015	5,414,611
Claims payments	(712,331)	(5,532,471)
Liability balance, September 30, 2020	<u>\$ 728,709</u>	<u>\$ 348,650</u>
Assets available to pay claims at September 30, 2020	<u>\$ 2,916,460</u>	<u>\$ 494,662</u>

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

NOTE 14. OTHER COMMITMENTS AND CONTINGENCIES

Federal Grants

In the normal course of operations, the City receives grant funds from various Federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

Management has determined that any liability for reimbursement, which may arise as the result of these audits, is not believed to be material to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. OTHER COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The City is party to various legal proceedings, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. In addition, the City currently has approximately \$728,709 accrued in the Claims Contingency Fund for pending or threatened litigation for which unfavorable outcome is considered probable. See Note 14 for treatment of claims incurred but not reported and other tort liability information.

Contract Commitments

Construction Contracts – The following significant contracts were outstanding at September 30, 2020:

	Contract Amount	Expended to Date	Remaining Commitment
Dedeaux Road	\$ 5,223,417	\$ 4,809,637	\$ 413,780
25th Ave and 18th Street Drainage	155,610	101,610	54,000
Bayou View Water Tank Replacement	2,472,666	2,219,314	253,352
20th Avenue	578,557	435,348	143,209
Downtown Street Scape Enhance Phase III	1,456,773	1,365,588	91,185
Seaway Rd Pedestrian Pathway	1,226,474	1,043,714	182,760
Mississippi Aquarium (GRC)	55,874,595	55,786,506	88,089
	<u>\$ 66,988,092</u>	<u>\$ 65,761,717</u>	<u>\$ 1,226,375</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. TAX ABATEMENTS

As of September 30, 2020, the City provides tax abatements through various state and local programs subject to the requirements of GASB Statement No. 77. State programs are authorized through Section §57-75-5(f) of Miss. Code Ann. 1972 and local programs are authorized through resolutions by the Harrison County Supervisors and City Council. These programs are as follows:

Program	Benefit	Eligibility Requirements
Fee-in-Lieu	A company may be approved by local authorities to pay a fee in lieu of standard property taxes. This negotiated fee is valid for 10 years but cannot be less than 1/3 of the property tax levy.	The City may consider a fee-in-lieu agreement when a company's private investment in land, building(s) and equipment exceeds \$100 million.
Real and Personal Property Tax Exemptions	An exemption from property taxes on land, building and equipment is available for up to 10 years. School taxes are not exempt.	Eligible businesses include: manufacturers, processors, research and development facilities, refineries, warehouse and distribution facilities, data and information processing companies and telecommunications and technology-intensive industries. The City Council must approve the exemption.
Exemption on In-State Inventory	An exemption from property taxes on finished goods that will remain in Mississippi is available. School taxes are not exempt. Any taxes paid become a direct credit to Mississippi income tax.	Manufacturers, processors, distributors, wholesalers or retailers are eligible. The City Council must approve the exemption.
Free Port Warehouse Exemption	An exemption from property taxes paid on finished goods inventories leaving Mississippi is available. The exemption may be for all property taxes and may be perpetual.	The City Council must approve the exemption.
Broadband Technology Tax (income, franchise)	An exemption from state income taxes and franchise fees paid to local governments.	Approved by the State of Mississippi.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. TAX ABATEMENTS (CONTINUED)

Total tax abatements as of September 30, 2020 are as follows:

Program	Term	Abatement Period Ends	Assessed Value	Estimated Tax Abated
Real and Personal	5 – 7 years	2020	1,795,119	61,034
Property Tax Exemptions	7 years	2021	7,277,684	247,441
	7 years	2022	81,799	2,781
	7 years	2023	267,646	9,100
	7 years	2024	465,067	15,812
	7 years	2025	2,511,956	85,406
	7 years	2026	467,808	15,905
	10 years	2027	584,330	19,867
Free Port Warehouse Exemptions	Open	N/A	4,929,031	137,592
Total tax abatements			<u>\$ 18,380,440</u>	<u>\$ 594,938</u>

In addition, the City derives authority for tax abatement under the Tax Increment Financing Act, Section 21-45-1 through Section 21-45-21 of the Miss. Code Ann. 1972. Under these statute, any municipality may enter into agreements with any developer whereby the developer will agree to construct, operate and maintain buildings or other facilities or improvements included within such projects as are provided in a redevelopment plan. In addition, Section 17-21-5 of the Miss. Code Ann. 1972, allows cities to exempt any or all municipal ad valorem taxes, excluding school districts, to any privately owned new or improvements to structures within a designated business district, historic landmark/preservation district, urban renewal or redevelopment district.

These redevelopment districts for the City are located in downtown Gulfport, property north of highway 49 and Mississippi City.

NOTE 16. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

Joint Ventures

Memorial Hospital at Gulfport

Memorial Hospital at Gulfport (“MHG”) is an acute care, not-for-profit community hospital jointly owned by the City and the Gulfport-West Harrison County Hospital District. The Board of Trustees of MHG pursuant to Section 41-13-15 et seq. Miss. Code Ann. 1972, as amended operates it. MHG is classified as a joint venture between the City and the Gulfport-West Harrison County Hospital District. The following is a synopsis of MHG’s financial statements as of and for the year ended September 30, 2020, a copy of which is on file at the administrative offices of Memorial Hospital located at 4500 13th Street, Gulfport, Mississippi 39501, or may be acquired by calling (228) 865-3078.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Joint Ventures (Continued)

Memorial Hospital at Gulfport (Continued)

Memorial Hospital at Gulfport Statement of Net Position	
Assets	
Current assets	\$ 255,329,147
Noncurrent cash and investments	117,948,009
Capital assets, net	162,207,964
Other assets	8,553,733
Total assets	<u>544,038,853</u>
Deferred Outflow of Resources	<u>8,620,032</u>
Liabilities	
Current liabilities	147,249,142
Long-term liabilities	86,855,015
Total liabilities	<u>234,104,157</u>
Deferred Inflow of Resources	<u>7,306,274</u>
Net position	
Net investment in capital assets	110,331,664
Restricted	6,831,291
Unrestricted	194,085,499
Total net position	<u><u>\$ 311,248,454</u></u>

The City has no transactions with MHG that are included in the City's financial statements. All general obligation bonds issued on behalf of Memorial Hospital were paid off during prior fiscal years. See Note 9 for additional information pertaining to conduit debt issued for Memorial Hospital at Gulfport.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Jointly Governed Organizations

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, if necessary. During the past fiscal year, the City did not provide any funding to the Gulfport-Biloxi Regional Airport.

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 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 contributed \$414,624 for the year ended September 30, 2020. This agreement is cancelable upon 60 days written notice prior to the end of the fiscal year and therefore, the City does not have an ongoing financial responsibility.

NOTE 17. DEFICIT FUND BALANCE/NET POSITION

The following funds have a deficit in fund balance/net position at September 30, 2020:

Capital Projects - \$3,881,624
Group Health and Life Fund – \$514,407

The funds' deficits will be reduced through intergovernmental revenues.



Required Supplementary Information



Supplementary Information

Supplementary information is presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation in order to be in conformity with Generally Accepted Accounting Principles.

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO THE BUDGETARY SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Budgetary Presentation

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 capital outlay, election expense and emergency warrants.

The budgetary comparisons present budget figures at the legal level of control. 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 level (personal services, supplies, and other services).

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 statements. These differences in the principles used results in timing differences in the recognition of revenue and expenditures. At the bottom of the schedule is a reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Budget Basis to the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -BUDGET TO ACTUAL - BUDGETARY BASIS GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Budget Basis	with Final Budget
REVENUES				
Property taxes	\$ 20,501,600	\$ 20,695,042	\$ 20,695,042	\$ -
Sales taxes	23,080,000	23,703,870	23,076,387	(627,483)
Licenses, permits and franchise fees	5,066,000	4,824,271	4,823,468	(803)
Intergovernmental	7,900,000	7,119,687	7,040,670	(79,017)
Charges for services/rents/leases	2,400,000	1,637,053	2,264,112	627,059
Fines and fees	1,060,000	969,605	966,516	(3,089)
Interest income	434,905	470,018	470,018	-
Miscellaneous/other	131,440	1,040,206	1,040,276	70
Total revenues	60,573,945	60,459,752	60,376,489	(83,263)
EXPENDITURES				
Current:				
General government:				
Personnel services	5,102,219	4,890,017	4,890,017	-
Supplies	202,110	78,302	78,302	-
Other services and charges	4,381,633	3,151,272	3,140,772	10,500
Capital outlay	425,002	330,365	510,622	(180,257)
Total general government	10,110,964	8,449,956	8,619,713	(169,757)
Public safety:				
Personnel services	25,657,375	24,770,238	24,770,238	-
Supplies	2,317,431	2,132,827	2,132,827	-
Other services and charges	2,875,415	2,369,015	2,387,455	(18,440)
Capital outlay	538,031	461,791	369,269	92,522
Total public safety	31,388,252	29,733,871	29,659,789	74,082
Public works:				
Personnel services	2,176,213	2,312,538	2,312,538	-
Supplies	1,228,488	1,127,923	1,127,923	-
Other services and charges	5,834,978	5,977,239	5,977,239	-
Capital outlay	948,969	816,656	750,996	65,660
Debt service	-	5,128	5,128	-
Total public works	10,188,648	10,239,484	10,173,824	65,660
Economic development:				
Personnel services	1,941,245	1,750,326	1,750,326	-
Supplies	60,940	28,163	28,163	-
Other services and charges	467,267	324,716	324,716	-
Capital outlay	106,000	7,669	7,669	-
Total economic development	2,575,452	2,110,874	2,110,874	-

(Continued)

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -BUDGET TO ACTUAL - BUDGETARY BASIS GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Budget Basis	with Final Budget
EXPENDITURES (Continued)				
Current (Continued):				
Culture and recreation:				
Personnel services	\$ 3,474,945	\$ 2,968,647	\$ 2,968,647	\$ -
Supplies	964,950	786,890	786,890	-
Other services and charges	1,976,917	1,808,380	1,808,380	-
Capital outlay	141,399	23,060	984	22,076
Debt service	123,499	119,489	119,489	-
Total culture and recreation	<u>6,681,710</u>	<u>5,706,466</u>	<u>5,684,390</u>	<u>22,076</u>
Total expenditures	<u>60,945,026</u>	<u>56,240,651</u>	<u>56,248,590</u>	<u>(7,939)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(371,081)</u>	<u>4,219,101</u>	<u>4,127,899</u>	<u>(91,202)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	67,918	67,918
Total other financing sources	<u>-</u>	<u>-</u>	<u>67,918</u>	<u>67,918</u>
Net change in fund balances	(371,081)	4,219,101	4,195,817	(23,284)
Fund balances, beginning of year	<u>14,154,407</u>	<u>14,154,407</u>	<u>14,154,407</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,783,326</u>	<u>\$ 18,373,508</u>	<u>18,350,224</u>	<u>\$ (23,284)</u>
Receivable/revenue adjustments			909,150	
Payable/expenditure adjustments			<u>484,630</u>	
Fund Balance - September 30 - GAAP Basis			<u>\$ 19,744,004</u>	

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

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - BUDGETARY BASIS COMMUNITY DEVELOPMENT FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 9,354,147	\$ 2,600,102	\$ 2,600,102	\$ -
Investment earnings	-	893	893	-
Total revenues	<u>9,354,147</u>	<u>2,600,995</u>	<u>2,600,995</u>	<u>-</u>
EXPENDITURES				
Economic development				
Personnel services	264,183	212,023	212,023	-
Supplies	9,534	492	492	-
Other contractual services	2,524,162	78,074	78,074	-
Capital outlay	6,556,268	944,439	944,439	-
Total expenditures	<u>9,354,147</u>	<u>1,235,028</u>	<u>1,235,028</u>	<u>-</u>
Net change in fund balance	-	1,365,967	1,365,967	-
FUND BALANCES, beginning of year	<u>2,144,573</u>	<u>2,144,573</u>	<u>2,144,573</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,144,573</u>	<u>\$ 3,510,540</u>	3,510,540	<u>\$ -</u>
Receivable/revenue adjustments			1,494,321	
Payable/expenditure adjustments			<u>(48,072)</u>	
Fund Balance - September 30 - GAAP Basis			<u>\$ 4,956,789</u>	

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AND NOTES MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE YEARS ENDED SEPTEMBER 30,

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.405%	0.418%	0.427%	0.420%	0.420%	0.420%
City's proportionate share of the net pension liability	\$ 78,355,283	\$ 73,548,344	\$ 70,978,710	\$ 69,818,256	\$ 75,022,488	\$ 64,923,718
City's covered payroll	\$ 25,448,543	\$ 25,690,603	\$ 27,831,601	\$ 27,186,711	\$ 26,563,213	\$ 26,225,454
City's proportionate share of the net pension liability as a percentage of its covered payroll	307.9%	286.3%	255.0%	256.8%	282.4%	247.6%
Plan fiduciary net position as a percentage of the total pension liability	59.0%	61.6%	62.5%	61.5%	57.5%	61.7%

Changes of assumptions

2019

- The expectation of retired life mortality was changed to 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.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of the female rates at all ages.
 - 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, 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 7% to 9%.

2017

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

2016

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

2015

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

Changes in benefit provisions

2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of 1% and a maximum rate of 5%.

CITY OF GULFPORT, MISSISSIPPI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS AND NOTES
AND RELATED RATIOS AND NOTES
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30,

Year	Statutorily Required Employer Contributions	Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 4,689,551	\$ 4,689,551		\$ 26,578,245	17.64%
2019	4,288,479	4,288,479	-	25,987,425	16.50%
2018	4,292,050	4,292,050	-	27,965,234	15.35%
2017	4,275,125	4,275,125	-	27,143,651	15.75%
2016	4,232,508	4,232,508	-	26,873,067	15.75%
2015	4,298,859	4,298,859	-	27,294,343	15.75%
2014	4,064,174	4,064,174	-	25,804,279	15.75%
2013	3,817,029	3,817,029	-	26,767,384	14.26%
2012	3,529,220	3,529,220	-	27,294,818	12.93%
2011	3,365,904	3,365,904	-	28,049,200	12.00%

Note to the Schedule:

Valuation date: Actuarially determined contribution rates in the Schedules of Employer Contributions are calculated as of June 30, 2019, two years prior to the end of the fiscal year in which contributions are reported.

CITY OF GULFPORT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AND NOTES MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
City's proportion of the net pension liability	3.34%	6.11%	6.20%	5.95%	5.99%	6.20%
City's proportionate share of the net pension liability	9,557,473	\$ 9,066,254	\$ 9,839,391	\$ 10,276,430	\$ 10,276,430	\$ 10,276,430
City's covered payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	49.1%	49.9%	48.4%	47.8%	45.7%	49.6%

(1) Payroll-related information not provided because plan is closed to new entrants and there are very few remaining active members and many municipalities have no remaining active members.

CITY OF GULFPORT, MISSISSIPPI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS AND NOTES
AND RELATED RATIOS AND NOTES
MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30,

Year	Statutorily Required Employer Contributions (1)	Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll (2)	Contributions as a Percentage of Covered Payroll (2)
2020	\$ 1,060,100	\$ 1,060,100	-	N/A	N/A
2019	1,025,767	1,025,767	-	N/A	N/A
2018	943,358	943,358	-	N/A	N/A
2017	997,404	997,404	-	N/A	N/A
2016	899,471	899,471	-	N/A	N/A
2015	975,093	975,093	-	N/A	N/A
2014	-	899,471	-	N/A	N/A
2013	-	971,252	-	N/A	N/A
2012	-	1,259,233	-	N/A	N/A
2011	-	1,545,190	-	N/A	N/A

(1) Actuarially determined contributions information only available for five years.

(2) Payroll-related information not provided because plan is closed to new entrants and there are very few remaining active members and many municipalities have no remaining active members.

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 fiscal year ended September 30, 2020 were based on the June 30, 2018 actuarial valuation.

Nonmajor Governmental Funds

Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes. A description of these funds is found later in this section.

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.

Debt Service Fund – This fund is used to account for the payment of principal and interest on the City's outstanding debt.

CITY OF GULFPORT, MISSISSIPPI

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

	Special Revenue Funds			Totals
	Disaster Relief Fund	Police and Firemen's Retirement Fund	Forfeitures and Seizures Fund	
ASSETS				
Cash and cash equivalents	\$ 904,508	\$ -	\$ -	\$ 904,508
Property taxes receivable	-	971,087	-	971,087
Due from other funds	2,320,129	-	-	2,320,129
Restricted cash	-	-	153,181	153,181
Total assets	<u>\$ 3,224,637</u>	<u>\$ 971,087</u>	<u>\$ 153,181</u>	<u>\$ 4,348,905</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 170	\$ 170
Total liabilities	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - property taxes	-	965,497	-	965,497
Total deferred inflows of resources	<u>-</u>	<u>965,497</u>	<u>-</u>	<u>965,497</u>
FUND BALANCES				
Restricted for public safety	-	5,590	153,011	158,601
Restricted for capital projects	3,224,637	-	-	3,224,637
Total fund balances	<u>3,224,637</u>	<u>5,590</u>	<u>153,011</u>	<u>3,383,238</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,224,637</u>	<u>\$ 971,087</u>	<u>\$ 153,181</u>	<u>\$ 4,348,905</u>

CITY OF GULFPORT, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			Totals
	Disaster Relief Fund	Police and Firemen's Retirement Fund	Forfeitures and Seizures Fund	
Revenues				
Property taxes	\$ -	\$ 1,036,381	\$ -	\$ 1,036,381
Intergovernmental	2,388,810	42,155	115,855	2,546,820
Interest income	-	-	5,981	5,981
Total revenues	<u>2,388,810</u>	<u>1,078,536</u>	<u>121,836</u>	<u>3,589,182</u>
Expenditures				
Public safety	-	1,086,686	811	1,087,497
Culture and recreation	16,521	-	-	16,521
Capital outlay	-	-	183,828	183,828
Total expenditures	<u>16,521</u>	<u>1,086,686</u>	<u>184,639</u>	<u>1,287,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,372,289</u>	<u>(8,150)</u>	<u>(62,803)</u>	<u>2,301,336</u>
Other financing sources				
Sale of capital assets	-	-	29,653	29,653
Total other financing sources	<u>-</u>	<u>-</u>	<u>29,653</u>	<u>29,653</u>
Net change in fund balances	<u>2,372,289</u>	<u>(8,150)</u>	<u>(33,150)</u>	<u>2,330,989</u>
Fund balances, beginning of year	<u>852,348</u>	<u>13,740</u>	<u>186,161</u>	<u>1,052,249</u>
Fund balances, end of year	<u>\$ 3,224,637</u>	<u>\$ 5,590</u>	<u>\$ 153,011</u>	<u>\$ 3,383,238</u>

Special Revenue Funds

Budget to Actual Comparisons

Disaster Relief Fund – This fund is used to account for all federal, state and local grants and contributions that are to be used in the reconstruction, repairs and other hurricane disaster related uses for the City.

Police and Firemen's Retirement Fund – This fund is used to account for tax revenues legally restricted for funding the police and firemen's retirement plan. All collections are forwarded to the Public Employee's Retirement System (PERS) for a closed fire and police retirement system managed by PERS.

Forfeitures and Seizures Fund – This fund is used to account for monies seized and forfeited through drug enforcement actions and are specifically restricted for drug enforcement expenditures and other such public safety operations.

CITY OF GULFPORT, MISSISSIPPI

DISASTER RELIEF FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 1,300,000	\$ 1,136,500	\$ 1,122,162	\$ (14,338)
Total revenues	<u>1,300,000</u>	<u>1,136,500</u>	<u>1,122,162</u>	<u>(14,338)</u>
EXPENDITURES				
Capital outlay	600,000	-	-	-
Other contractual services	-	19,197	19,197	-
Total expenditures	<u>600,000</u>	<u>19,197</u>	<u>19,197</u>	<u>-</u>
Net change in fund balance	700,000	1,117,303	1,102,965	(14,338)
FUND BALANCES, beginning of year	<u>852,348</u>	<u>852,348</u>	<u>852,348</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,552,348</u>	<u>\$ 1,969,651</u>	1,955,313	<u>\$ (14,338)</u>
			Receivable/revenue adjustments	1,266,646
			Payable/expenditure adjustments	<u>2,678</u>
			Fund Balance - September 30 - GAAP Basis	<u>\$ 3,224,637</u>

CITY OF GULFPORT, MISSISSIPPI

POLICE AND FIREMEN'S RETIREMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES				
Property taxes	\$ 1,007,077	\$ 1,044,530	\$ 1,044,530	\$ -
Intergovernmental	-	19,342	42,156	(22,814)
Total revenues	<u>1,007,077</u>	<u>1,063,872</u>	<u>1,086,686</u>	<u>(22,814)</u>
EXPENDITURES				
Public safety				
Other services	600,000	1,063,872	1,086,686	(22,814)
Total expenditures	<u>600,000</u>	<u>1,063,872</u>	<u>1,086,686</u>	<u>(22,814)</u>
Net change in fund balance	-	-	-	(45,628)
FUND BALANCES, beginning of year	<u>13,740</u>	<u>13,740</u>	<u>13,740</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 13,740</u>	<u>\$ 13,740</u>	13,740	<u>\$ (45,628)</u>
Receivable/revenue adjustments			(8,150)	
Payable/expenditure adjustments			-	
Fund Balance - September 30 - GAAP Basis			<u>\$ 5,590</u>	

CITY OF GULFPORT, MISSISSIPPI

FORFEITURES AND SEIZURES FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 115,855	\$ 115,855	\$ -
Investment earnings	-	35,634	5,981	(29,653)
Total revenues	-	151,489	121,836	(29,653)
EXPENDITURES				
Public safety				
Supplies	-	-	806	(806)
Capital outlay	-	-	183,828	(183,828)
Total expenditures (deficiency)	-	-	184,634	(184,634)
Excess of revenues over (under) expenditures	-	151,489	(62,798)	(214,287)
Other financing sources				
Sale of capital assets	-	-	29,653	29,653
Total other financing sources	-	-	29,653	29,653
Net change in fund balance	-	151,489	(33,145)	(184,634)
FUND BALANCES, beginning of year	186,161	186,161	186,161	-
FUND BALANCES (DEFICITS), end of year	<u>\$ 186,161</u>	<u>\$ 337,650</u>	153,016	<u>\$ (184,634)</u>
Payable/expenditure adjustments			(5)	
Fund Balance - September 30 - GAAP Basis			<u>\$ 153,011</u>	

Capital Projects Funds

Combining Budget to Actual Comparisons

Capital Projects Funds – (Major fund not part of required supplementary information) These funds are used to account for tax revenues and certain government grants specifically restricted for the construction of major capital facilities and public improvement projects not otherwise funded by general obligation bonds.

CITY OF GULFPORT, MISSISSIPPI

CAPITAL PROJECTS FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ -	\$ 18,951,621	\$ 19,362,885	\$ (411,264)
Investment earnings	-	1,827	1,827	-
Total revenues	-	18,953,448	19,364,712	(411,264)
EXPENDITURES				
Capital outlay	29,505,832	40,534,213	40,759,317	(225,104)
Debt service	207,000	224,826	-	224,826
Total expenditures	29,712,832	40,759,039	40,759,317	(278)
Net change in fund balance	(29,712,832)	(21,805,591)	(21,394,605)	410,986
FUND BALANCES, beginning of year	<u>19,460,191</u>	<u>19,460,191</u>	<u>19,460,191</u>	<u>-</u>
FUND DEFICITS, end of year	<u>\$ (10,252,641)</u>	<u>\$ (2,345,400)</u>	<u>(1,934,414)</u>	<u>\$ 410,986</u>
			(1,896,951)	
			(50,259)	
Fund Deficit - September 30 - GAAP Basis			<u>\$ (3,881,624)</u>	

Debt Service Fund

Budget to Actual

Debt Service Fund – This Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the City of Gulfport, Mississippi is obligated in some manner for the payment.

CITY OF GULFPORT, MISSISSIPPI

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,910,923	\$ 4,665,075	\$ 4,665,075	\$ -
Intergovernmental	1,636,417	86,329	189,322	102,993
Total revenues	<u>6,547,340</u>	<u>4,751,404</u>	<u>4,854,397</u>	<u>102,993</u>
EXPENDITURES				
Debt service				
Principal and interest payments	<u>6,911,381</u>	<u>4,928,288</u>	<u>4,928,288</u>	<u>-</u>
Total expenditures	<u>6,911,381</u>	<u>4,928,288</u>	<u>4,928,288</u>	<u>-</u>
Net change in fund balance	(364,041)	(176,884)	(73,891)	102,993
FUND DEFICITS, beginning of year	<u>(1,586,788)</u>	<u>(1,586,788)</u>	<u>(1,586,788)</u>	<u>-</u>
FUND DEFICITS, end of year	<u>\$ (1,950,829)</u>	<u>\$ (1,763,672)</u>	<u>(1,660,679)</u>	<u>\$ 102,993</u>
Receivable/revenue adjustments			23,538,889	
Payable/expenditure adjustments			<u>(10,825,454)</u>	
Fund Balance - September 30 - GAAP Basis			<u>\$ 11,052,756</u>	

Proprietary Funds

Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the services to the general public on a continuing basis are financed or recovered primarily through user charges.

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

Enterprise Funds

Combining Budget to Actual Comparisons

Water and Sewer Fund – This fund is used to account for the activities of the Water and Sewer operations of the City of Gulfport, Mississippi.

Joseph T. Jones Park Fund – This fund is used to account for operations, maintenance, and leasing of boat slips and other facilities within the Joseph T. Jones Memorial Park.

CITY OF GULFPORT, MISSISSIPPI

ENTERPRISE FUNDS COMBINING BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Major Fund Water and Sewer Fund	Nonmajor Fund Joseph T. Jones Park Fund
OPERATING REVENUES				
Charges for services	\$ 35,260,928	\$ 28,701,460	\$ 27,866,062	\$ 869,003
Fines and forfeitures	-	26	26	-
Grants	-	6,734	-	28,869
Miscellaneous	-	2,286,789	1,452,961	800,226
Total operating revenues	<u>35,260,928</u>	<u>30,995,009</u>	<u>29,319,049</u>	<u>1,698,098</u>
OPERATING EXPENSES				
Personal services	1,292,727	1,510,746	961,001	549,746
Contractual services	22,110,127	21,195,731	20,354,763	1,217,092
Materials and supplies	3,437,770	2,752,610	2,133,913	618,419
Depreciation expense	-	8,306	8,306	-
Total operating expenses	<u>26,840,624</u>	<u>25,467,393</u>	<u>23,457,983</u>	<u>2,385,257</u>
Operating income (loss)	8,420,304	5,527,616	5,861,066	(687,159)
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	86,570	83,902	2,668
Debt service	(7,283,469)	(3,877,045)	(3,877,045)	-
Capital outlay	(5,472,159)	(4,936,670)	(4,833,491)	(103,179)
Total nonoperating expenses, net	<u>(12,755,628)</u>	<u>(8,727,145)</u>	<u>(8,626,634)</u>	<u>(100,511)</u>
Net change in net position	(4,335,324)	(3,199,529)	(2,765,568)	(787,670)
NET POSITIONS, beginning of year	<u>173,148,289</u>	<u>173,148,289</u>	<u>151,452,868</u>	<u>21,695,421</u>
NET POSITIONS, end of year	<u>\$ 168,812,965</u>	<u>\$ 169,948,760</u>	148,687,300	20,907,751
Receivable/revenue adjustments			383,225	9,393
Payable/expense adjustments			<u>(5,410,010)</u>	<u>(558,933)</u>
Net Positions - September 30 - GAAP Basis			<u>\$ 143,660,515</u>	<u>\$ 20,358,211</u>

Actual Budget Basis	Variance with Final Budget
\$ 28,735,065	\$ (33,605)
26	-
28,869	(22,135)
2,253,187	33,602
<u>31,017,147</u>	<u>(22,138)</u>
1,510,747	(1)
21,571,855	(376,124)
2,752,332	278
8,306	-
<u>25,843,240</u>	<u>(375,847)</u>
5,173,907	353,709
86,570	-
(3,877,045)	-
<u>(4,936,670)</u>	<u>-</u>
<u>(8,727,145)</u>	<u>-</u>
(3,553,238)	353,709
<u>173,148,289</u>	<u>-</u>
<u>\$ 169,595,051</u>	<u>\$ 353,709</u>

Internal Service Funds

Combining Fund Financial Statements

Group Life and Health Fund – This fund is used to account for the accumulation and allocation of costs associated with providing health care and life insurance benefits for the City of Gulfport, Mississippi's employees.

Claims Contingency Fund – This fund is used to account for the accumulation of costs associated with workman's compensation claims and general liability claims against the City of Gulfport.

CITY OF GULFPORT, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS SEPTEMBER 30, 2020

	Group Life and Health	Claims Contingency	Total
ASSETS			
Cash and cash equivalents	\$ 531,864	\$ 2,796,010	\$ 3,327,874
Due from other funds	-	120,456	120,456
Prepaid insurance	-	1,028,472	1,028,472
Total assets	<u>531,864</u>	<u>3,944,938</u>	<u>4,476,802</u>
LIABILITIES			
Accounts payable	37,202	6	37,208
Due to other funds	660,419	-	660,419
Liability for self-insurance claims	348,650	728,709	1,077,359
Total liabilities	<u>1,046,271</u>	<u>728,715</u>	<u>1,774,986</u>
NET POSITION			
Unrestricted	<u>(514,407)</u>	<u>3,216,223</u>	<u>2,701,816</u>
Total net position	<u>(514,407)</u>	<u>3,216,223</u>	<u>2,701,816</u>
 Total liabilities and net position	 <u>\$ 531,864</u>	 <u>\$ 3,944,938</u>	 <u>\$ 4,476,802</u>

CITY OF GULFPORT, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Group Life and Health	Claims Contingency	Total
REVENUES			
Employee contributions	\$ 1,106,131	\$ -	\$ 1,106,131
Retiree contributions	114,852	-	114,852
Employer contributions	4,171,723	2,416,633	6,588,356
Miscellaneous	869,374	496,113	1,365,487
Total revenues	6,262,080	2,912,746	9,174,826
OPERATING EXPENSES			
Administrative expenses	534,916	-	534,916
Premium payments	609,272	1,625,552	2,234,824
Claims paid	4,707,909	712,331	5,420,240
Total expenses	5,852,097	2,337,883	8,189,980
Operating income	409,983	574,863	984,846
NONOPERATING REVENUE			
Interest income	12,700	75,535	88,235
Change in net position	422,683	650,398	1,073,081
TOTAL NET POSITION, beginning of year	(937,090)	2,565,825	1,628,735
TOTAL NET POSITION, end of year	\$ (514,407)	\$ 3,216,223	\$ 2,701,816

CITY OF GULFPORT, MISSISSIPPI

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Group Life and Health	Claims Contingency	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from other operating receipts	\$ -	\$ 496,113	\$ 496,113
Cash received from employees and others	1,972,497	-	1,972,497
Cash received from employer contributions	4,171,723	2,416,633	6,588,356
Cash paid for contractual services	(5,896,342)	(3,016,146)	(8,912,488)
Net cash provided by (used in) operating activities	<u>247,878</u>	<u>(103,400)</u>	<u>144,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>12,700</u>	<u>75,535</u>	<u>88,235</u>
Net cash provided by investing activities	<u>12,700</u>	<u>75,535</u>	<u>88,235</u>
Net change in cash and cash equivalents	260,578	(27,865)	232,713
Cash and cash equivalents, beginning of year	271,286	2,823,875	3,095,161
Cash and cash equivalents, end of year	<u>\$ 531,864</u>	<u>\$ 2,796,010</u>	<u>\$ 3,327,874</u>
Reconciliation of operating income to net cash provided by (used) in operating activities:			
Operating income	\$ 409,983	\$ 574,863	\$ 984,846
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Increase in prepaid expenses	-	(111,236)	(111,236)
Increase (decrease) in accounts payable	12,788	(558,711)	(545,923)
Decrease in accrued liabilities	(174,893)	(8,316)	(183,209)
Net cash provided by (used in) operating activities	<u>\$ 247,878</u>	<u>\$ (103,400)</u>	<u>\$ 144,478</u>

Fiduciary Funds

Combining Fund Financial Statements

Fiduciary Funds are used to report resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Asset Forfeiture Fund – This is a fiduciary fund for collecting and settling assets seized jointly by the city and other governments.

Coastal Narcotics Task Force Fund – This is a fiduciary fund for collecting and settling assets seized jointly by the city and other governments.

CITY OF GULFPORT, MISSISSIPPI

COMBINING BALANCE SHEET FIDUCIARY FUNDS SEPTEMBER 30, 2020

ASSETS	Agency Funds		Total
	Asset Forfeiture Fund	Coastal Narcotics Task Force Fund	
Cash	\$ 127,825	\$ 93,842	\$ 221,667
Assets held for disposal	54,350	-	54,350
Total assets	<u>\$ 182,175</u>	<u>\$ 93,842</u>	<u>\$ 276,017</u>
LIABILITIES			
Assets held in trust	\$ 182,175	\$ 93,842	\$ 276,017
Total liabilities	<u>\$ 182,175</u>	<u>\$ 93,842</u>	<u>\$ 276,017</u>

Agency Funds

CITY OF GULFPORT, MISSISSIPPI

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Balance at 10/1/2019	Increases	Decreases	Balance at 9/30/2020
<u>Asset Forfeiture Fund</u>				
ASSETS				
Cash	\$ 190,960	\$ 104,603	\$ (167,738)	\$ 127,825
Assets held for disposal	54,350	-	-	54,350
Total assets	<u>\$ 245,310</u>	<u>\$ 104,603</u>	<u>\$ (167,738)</u>	<u>\$ 182,175</u>
LIABILITIES				
Assets held in trust	\$ 245,310	\$ 104,603	\$ (167,738)	\$ 182,175
Total liabilities	<u>\$ 245,310</u>	<u>\$ 104,603</u>	<u>\$ (167,738)</u>	<u>\$ 182,175</u>
<u>Coastal Narcotics Task Force Fund</u>				
ASSETS				
Cash	\$ 85,875	\$ 18,111	\$ (10,144)	\$ 93,842
Total assets	<u>\$ 85,875</u>	<u>\$ 18,111</u>	<u>\$ (10,144)</u>	<u>\$ 93,842</u>
LIABILITIES				
Assets held in trust	\$ 85,875	\$ 18,111	\$ (10,144)	\$ 93,842
Total liabilities	<u>\$ 85,875</u>	<u>\$ 18,111</u>	<u>\$ (10,144)</u>	<u>\$ 93,842</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 276,835	\$ 122,714	\$ (177,882)	\$ 221,667
Assets held for disposal	54,350	-	-	54,350
Total assets	<u>\$ 331,185</u>	<u>\$ 122,714</u>	<u>\$ (177,882)</u>	<u>\$ 276,017</u>
LIABILITIES				
Assets held in trust	\$ 331,185	\$ 122,714	\$ (177,882)	\$ 276,017
Total liabilities	<u>\$ 331,185</u>	<u>\$ 122,714</u>	<u>\$ (177,882)</u>	<u>\$ 276,017</u>

Statistical Section

This part of the City of Gulfport's Annual Comprehensive Financial Report presents detailed information as to context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.



This Section Includes:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic & Economic Information
- Operating Information

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

STATISTICAL SECTION

This part of the City of Gulfport's Annual Comprehensive Financial Report presents detailed information as to context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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

CITY OF GULFPORT, MISSISSIPPI

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 257,087,790	\$ 275,222,555	\$ 282,914,775	\$ 281,766,765	\$ 284,125,550	\$ 269,973,076	\$ 285,129,249	\$ 281,117,526	\$ 270,930,882	\$ 266,185,951
Restricted	3,383,238	1,039,509	468,628	1,267,164	12,978,620	14,019,819	13,301,974	16,868,111	16,137,281	5,797,855
Unrestricted	(55,290,486)	(56,992,418)	(60,602,164)	(59,408,068)	(61,646,834)	(54,692,070)	5,437,311	(9,402,426)	(2,956,829)	112,782
Total governmental activities net position	<u>\$ 205,180,542</u>	<u>\$ 219,269,646</u>	<u>\$ 222,781,239</u>	<u>\$ 223,625,861</u>	<u>\$ 235,457,336</u>	<u>\$ 229,300,825</u>	<u>\$ 303,868,534</u>	<u>\$ 288,583,211</u>	<u>\$ 284,111,334</u>	<u>\$ 272,096,588</u>
Business-type activities										
Net investment in capital assets	\$ 258,281,256	\$ 236,184,061	\$ 223,437,734	\$ 194,234,500	\$ 187,635,987	\$ 164,552,076	\$ 177,125,671	\$ 175,793,824	\$ 174,576,166	\$ 166,696,100
Restricted	-	-	-	6,405	8,486	15,731,978	952,215	952,420	952,325	952,230
Unrestricted	12,144,725	7,155,394	(85,831)	12,065,849	(2,404,430)	86,560	2,891,605	4,113,910	3,570,295	4,723,104
Total business-type activities net position	<u>\$ 270,425,981</u>	<u>\$ 243,339,455</u>	<u>\$ 223,351,903</u>	<u>\$ 206,306,754</u>	<u>\$ 185,240,043</u>	<u>\$ 180,370,614</u>	<u>\$ 180,969,491</u>	<u>\$ 180,860,154</u>	<u>\$ 179,098,786</u>	<u>\$ 172,371,434</u>
Primary government										
Net investment in capital assets	\$ 515,369,046	\$ 511,406,616	\$ 506,352,509	\$ 476,001,265	\$ 471,761,537	\$ 434,525,152	\$ 462,254,920	\$ 456,911,350	\$ 445,507,048	\$ 432,882,051
Restricted	3,383,238	1,039,509	468,628	1,273,569	12,987,106	29,751,797	14,254,189	17,820,531	17,089,606	6,750,085
Unrestricted	(43,145,761)	(49,837,024)	(60,687,995)	(47,342,219)	(64,051,264)	(54,605,510)	8,328,916	(5,288,516)	613,466	4,835,886
Total primary government net position	<u>\$ 475,606,523</u>	<u>\$ 462,609,101</u>	<u>\$ 446,133,142</u>	<u>\$ 429,932,615</u>	<u>\$ 420,697,379</u>	<u>\$ 409,671,439</u>	<u>\$ 484,838,025</u>	<u>\$ 469,443,365</u>	<u>\$ 463,210,120</u>	<u>\$ 444,468,022</u>

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF GULFPORT, MISSISSIPPI

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 8,041,866	\$ 18,381,753	\$ 10,368,615	\$ 8,955,761	\$ 9,457,333	\$ 9,984,277	\$ 17,447,206	\$ 15,406,713	\$ 17,985,821	\$ 14,640,152
Public safety	32,768,185	31,463,458	34,710,217	36,652,652	32,749,940	35,195,058	28,485,153	26,479,794	29,205,705	27,707,275
Public works	14,172,099	5,997,295	12,245,395	12,637,532	13,449,819	13,400,408	12,878,389	12,657,384	12,482,311	11,084,442
Health and welfare	7,946	3,687	386,980	-	-	-	-	-	-	-
Economic development	2,911,397	2,442,809	2,831,726	4,296,975	5,151,915	3,777,350	1,927,464	2,036,416	2,122,547	2,081,041
Culture and recreation	7,846,167	6,565,748	8,332,983	6,730,779	6,337,334	8,178,271	7,876,483	5,212,892	5,793,659	5,717,562
Interest on long-term debt	2,945,000	2,211,800	2,362,895	1,508,188	1,213,855	1,262,659	1,001,747	1,493,792	1,677,536	1,413,236
Total governmental activities expenses	68,692,660	67,066,550	71,238,811	70,781,887	68,360,196	71,798,023	69,616,442	63,286,991	69,267,579	62,643,708
Business-type activities:										
Water and sewer	37,578,531	33,495,681	29,672,180	30,710,859	30,727,118	31,522,039	31,584,772	29,368,049	29,943,157	26,911,222
Joseph T. Jones park	3,047,369	2,920,191	2,561,572	2,884,485	1,490,524	1,580,391	1,769,575	1,737,744	2,947,134	164,346
Gulfport Redevelopment Commission	1,697,689	2,813,802	1,002,790	1,771,032	890,413	993,205	87,250	87,250	87,250	-
Total business-type activities expenses	42,323,589	39,229,674	33,236,542	35,366,376	33,108,055	34,095,635	33,441,597	31,193,043	32,977,541	27,075,568
Total primary government expenses	111,016,249	106,296,224	104,475,353	106,148,263	101,468,251	105,893,658	103,058,039	94,480,034	102,245,120	89,719,276
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	4,656,871	3,007,219	3,057,735	401,081	1,326,909	1,120,782	3,991,989	3,888,141	4,157,208	4,614,756
Public safety	2,266,431	(64,968)	347,110	2,595,178	1,651,228	2,099,891	108,200	90,097	113,522	150,421
Public works	343,987	90,585	258,916	182,604	-	77	205,186	7,246	14,161	55,885
Economic development	175,904	364,564	463,816	501,244	1,279,488	1,211,817	1,428,906	1,251,084	1,110,574	1,376,726
Culture and recreation	-	-	-	1,108,932	691,299	713,456	714,847	813,746	598,271	550,700
Operating grants and contributions	2,417,526	2,714,565	1,223,481	531,807	2,499,445	3,221,880	3,157,775	5,017,529	2,664,936	3,625,390
Capital grants and contributions	24,002,575	23,886,234	20,890,038	13,637,379	19,749,006	10,118,309	3,094,349	4,325,695	20,047,920	18,384,916
Total governmental activities program revenues	33,863,294	29,998,199	26,241,096	18,958,225	27,197,375	18,486,212	12,701,252	15,393,538	28,706,592	28,758,794

(Continued)

CITY OF GULFPORT, MISSISSIPPI

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
Program revenues (Continued)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Charges for services										
Water and sewer	\$ 29,702,276	\$ 32,039,665	\$ 34,955,643	\$ 33,635,070	\$ 31,673,688	\$ 31,966,110	\$ 30,516,277	\$ 30,367,141	\$ 30,245,886	\$ 28,604,172
Joseph T. Jones park	1,707,491	1,641,565	1,294,236	816,480	716,627	753,310	1,145,826	1,028,745	520,896	11,647
Gulfport Redevelopment Commission	778,053	1,830,270	261,700	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	413,860	143,820	253,475	-	-	-	-
Capital grants and contributions	-	-	-	1,622,689	-	950,480	309,001	1,064,897	8,138,942	29,957,733
Total business-type activities										
program revenues	32,187,820	35,511,500	36,511,579	36,488,099	32,534,135	33,923,375	31,971,104	32,460,783	38,905,724	58,573,552
Total primary government										
program revenues	66,051,114	65,509,699	62,752,675	55,446,324	59,731,510	52,409,587	44,672,356	47,854,321	67,612,316	87,332,346
Net (expenses)/revenues										
Governmental activities	(34,829,366)	(37,068,351)	(44,997,715)	(51,823,662)	(41,162,821)	(53,311,811)	(56,915,190)	(47,893,453)	(40,560,987)	(33,884,914)
Business-type activities	(10,135,769)	(3,718,174)	3,275,037	1,121,723	(573,920)	(172,260)	(1,470,493)	1,267,740	5,928,183	31,497,984
Total primary government										
change in net position	<u>\$ (44,965,135)</u>	<u>\$ (40,786,525)</u>	<u>\$ (41,722,678)</u>	<u>\$ (50,701,939)</u>	<u>\$ (41,736,741)</u>	<u>\$ (53,484,071)</u>	<u>\$ (58,385,683)</u>	<u>\$ (46,625,713)</u>	<u>\$ (34,632,804)</u>	<u>\$ (2,386,930)</u>

Note: Years 2011 through 2013 Governmental Activities Unrestricted Net Position restated for Net Pension Asset.

CITY OF GULFPORT, MISSISSIPPI

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 25,143,009	\$ 24,328,641	\$ 19,429,085	\$ 19,248,462	\$ 18,711,363	\$ 18,324,198	\$ 18,432,805	\$ 18,388,705	\$ 18,457,067	\$ 18,061,388
Property taxes, levied for special purposes	1,036,381	941,408	5,523,876	5,377,549	5,176,121	5,198,340	5,807,459	5,729,313	6,095,931	6,315,051
Sales tax	23,370,081	22,977,794	22,093,578	21,048,200	20,751,725	20,523,996	19,739,832	19,576,183	19,002,874	19,230,296
Franchise taxes	3,768,997	4,007,112	4,067,817	3,497,919	3,617,560	4,246,279	4,332,280	3,779,248	3,606,682	3,638,352
Gaming taxes	3,991,565	3,920,341	3,839,811	3,912,284	3,793,035	3,656,859	3,092,973	3,282,363	3,142,387	3,198,977
Unrestricted grants and contributions	-	-	-	3,222,779	1,506,240	1,612,414	5,292,120	3,559,724	1,980,424	825,581
Insurance proceeds	-	-	-	-	-	11,817	-	-	-	214,664
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	(2,650,954)	-	(30,892)	376,346	580,963	(126,609)
Investment Earnings & Misc	566,954	1,007,342	490,497	884,571	244,918	4,442,248	105,043	162,701	237,067	141,165
Transfers	(37,135,725)	(23,626,880)	(12,299,634)	(18,242,482)	(4,542,001)	-	-	(454,869)	(981,225)	(3,882,228)
Total governmental activities	<u>20,741,262</u>	<u>33,555,758</u>	<u>43,145,030</u>	<u>38,949,282</u>	<u>46,608,007</u>	<u>58,016,151</u>	<u>56,771,620</u>	<u>54,399,714</u>	<u>52,122,170</u>	<u>47,616,637</u>
Business-type activities										
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	(6,498)	-	-	(2,971)
Investment Earnings & Misc	86,570	78,845	36,303	706,744	892,530	5,008	52,575	38,759	74,245	119,166
Transfers	37,135,725	23,626,880	12,299,634	18,242,482	4,542,001	391,651	-	454,869	981,225	3,882,228
Total business-type activities	<u>37,222,295</u>	<u>23,705,725</u>	<u>12,335,937</u>	<u>18,949,226</u>	<u>5,434,531</u>	<u>396,659</u>	<u>46,077</u>	<u>493,628</u>	<u>1,055,470</u>	<u>3,998,423</u>
Total primary government	<u>\$ 57,963,557</u>	<u>\$ 57,261,483</u>	<u>\$ 55,480,967</u>	<u>\$ 57,898,508</u>	<u>\$ 52,042,538</u>	<u>\$ 58,412,810</u>	<u>\$ 56,817,697</u>	<u>\$ 54,893,342</u>	<u>\$ 53,177,640</u>	<u>\$ 51,615,060</u>
Governmental - Special Items:										
Prior Period Adjustments	1,008,063	1,008,063	1,008,063	1,042,905	711,325	(79,272,049)	-	-	-	-
FEMA Community disaster loan forgiveness	-	-	-	-	-	-	16,021,567	-	-	-
Business-type activities - Special items:										
Prior Period Adjustments	1,434,175	1,434,175	1,434,175	995,761	86,043	(823,576)	-	-	-	-
FEMA Community disaster loan forgiveness	-	-	-	-	-	-	3,573,774	-	-	-
Total primary government - Special items	<u>\$ 2,442,238</u>	<u>\$ 2,442,238</u>	<u>\$ 2,442,238</u>	<u>\$ 2,038,666</u>	<u>\$ 797,368</u>	<u>\$ (80,095,625)</u>	<u>\$ 19,595,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental activities	\$ (14,088,104)	\$ (1,852,685)	\$ (1,852,685)	\$ (12,874,380)	\$ 235,457,336	\$ 229,300,825	\$ 15,877,997	\$ 3,975,972	\$ 10,764,978	\$ 13,731,723
Business-type activities	27,086,526	15,610,974	15,610,974	20,070,949	185,238,293	180,370,614	2,149,358	1,761,368	6,983,653	35,496,407
Total primary government	<u>\$ 12,998,422</u>	<u>\$ 13,758,289</u>	<u>\$ 13,758,289</u>	<u>\$ 7,196,569</u>	<u>\$ 420,695,629</u>	<u>\$ 409,671,439</u>	<u>\$ 18,027,355</u>	<u>\$ 5,737,340</u>	<u>\$ 17,748,631</u>	<u>\$ 49,228,130</u>

CITY OF GULFPORT, MISSISSIPPI

FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Restricted for:										
Public Safety	\$ -	\$ -	\$ -	\$ 5,513	\$ -	\$ -	\$ -	\$ 28,499	\$ 28,499	\$ 28,499
Senior citizens program	-	-	-	-	160,591	160,512	100,000	100,000	100,000	100,000
Committed for:										
Capital projects	-	-	-	32,451,567	-	-	-	-	-	-
Assigned for:										
Subsequent year appropriations	-	-	-	-	-	-	-	215,226	-	-
Unassigned	19,744,004	14,154,407	11,790,005	(21,605,706)	8,085,738	7,754,355	3,527,812	3,179,087	2,372,878	5,075,411
Total general fund	<u>\$ 19,744,004</u>	<u>\$ 14,154,407</u>	<u>\$ 11,790,005</u>	<u>\$ 10,851,374</u>	<u>\$ 8,246,329</u>	<u>\$ 7,914,867</u>	<u>\$ 3,627,812</u>	<u>\$ 3,522,812</u>	<u>\$ 2,501,377</u>	<u>\$ 5,203,910</u>
 All other governmental funds										
Restricted for:										
Public Safety	\$ 158,601	\$ 199,901	\$ 486,986	\$ 358,309	\$ 1,033,210	\$ 249,351	\$ 800,030	\$ 1,512,330	\$ 1,458,489	\$ 1,395,365
Debt service	-	-	-	-	-	751,472	4,720,408	3,849,656	4,134,783	3,844,021
Urban development	-	-	-	-	-	1,067,786	221,348	297,275	295,988	295,984
Capital projects	3,224,637	852,348	-	429,820	22,404,670	15,772,309	7,460,188	11,108,850	12,245,552	2,240,691
Hurricane repairs	-	-	-	-	-	-	-	-	-	-
Committed for:										
Capital projects	1,075,165	21,604,764	36,809,086	8,056,050	1,256,850	-	-	-	-	-
Unassigned	11,052,756	(1,586,788)	(2,963,283)	(1,835,244)	(831,641)	(154,134)	-	-	-	-
Nonspendable fro prepaids	-	-	-	-	-	-	-	60,770	64,883	69,820
Total all other governmental funds	<u>\$ 15,511,159</u>	<u>\$ 21,070,225</u>	<u>\$ 34,332,789</u>	<u>\$ 7,008,935</u>	<u>\$ 23,863,089</u>	<u>\$ 17,686,784</u>	<u>\$ 13,201,974</u>	<u>\$ 16,828,881</u>	<u>\$ 18,199,695</u>	<u>\$ 7,845,881</u>
 Total all governmental funds	<u>\$ 35,255,163</u>	<u>\$ 35,224,632</u>	<u>\$ 46,122,794</u>	<u>\$ 17,860,309</u>	<u>\$ 32,109,418</u>	<u>\$ 25,601,651</u>	<u>\$ 16,829,786</u>	<u>\$ 20,351,693</u>	<u>\$ 20,701,072</u>	<u>\$ 13,049,791</u>

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF GULFPORT, MISSISSIPPI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes										
Property	\$ 26,179,390	\$ 25,270,049	\$ 24,952,961	\$ 24,626,011	\$ 23,887,484	\$ 23,522,538	\$ 24,240,264	\$ 24,118,018	\$ 24,552,998	\$ 24,376,439
Sales	23,370,081	22,977,794	22,093,578	21,048,200	20,751,725	20,523,996	19,739,832	19,576,183	19,002,874	19,230,296
Franchise	3,768,997	4,007,112	4,067,817	3,497,919	3,617,560	4,246,279	4,332,280	3,779,248	3,606,682	3,638,352
Gaming	-	-	3,839,811	3,912,284	3,793,035	3,450,659	3,092,973	3,282,363	3,142,387	3,197,977
Licenses and permits	1,237,082	1,134,310	1,335,447	973,157	1,011,280	1,102,339	1,406,737	1,251,084	1,110,574	1,342,133
Intergovernmental	31,281,812	32,035,441	19,811,378	16,841,019	24,509,833	15,054,935	8,488,088	11,085,701	21,082,548	22,835,887
Charges for services	2,660,429	2,263,511	2,385,767	1,813,279	2,146,206	1,974,416	1,954,839	1,721,145	1,527,177	1,502,856
Fines and forfeitures	966,516	1,083,896	1,091,140	504,687	1,159,849	1,423,042	1,721,696	1,956,635	1,931,800	2,548,171
Miscellaneous	1,786,714	1,074,265	630,800	1,028,211	397,772	687,373	104,066	161,557	201,646	75,847
Total revenues	<u>91,251,021</u>	<u>89,846,378</u>	<u>80,208,699</u>	<u>74,244,767</u>	<u>81,274,744</u>	<u>71,985,577</u>	<u>65,080,775</u>	<u>66,931,934</u>	<u>76,158,686</u>	<u>78,747,958</u>
Expenditures:										
General government	8,652,627	8,437,048	9,190,907	8,019,915	8,014,244	8,372,762	7,824,841	7,079,355	7,187,596	7,228,142
Public safety	30,756,764	31,117,306	30,769,330	31,814,921	29,161,755	30,264,968	31,361,182	29,433,859	32,448,262	30,667,009
Public works	9,814,908	9,927,352	8,651,285	8,387,013	8,219,646	9,586,433	10,335,506	9,927,950	9,728,428	8,276,579
Economic development	2,371,906	2,424,355	2,693,619	2,316,072	3,111,656	3,567,688	2,249,006	2,346,013	2,428,878	2,370,885
Culture and recreation	5,561,961	6,540,642	6,176,023	6,126,075	6,126,959	6,214,998	6,958,247	8,066,154	6,787,433	5,565,858
Capital outlay	5,139,441	13,537,368	19,487,592	10,613,725	13,348,415	13,988,721	7,126,336	6,738,782	15,098,742	20,708,636
Debt service:										
Principal	11,848,276	3,548,659	3,954,055	3,613,712	4,034,538	3,268,236	3,238,072	4,140,350	3,497,844	3,748,258
Interest	2,761,407	2,833,928	2,200,273	1,692,917	1,357,116	935,696	765,011	1,128,160	1,279,711	1,055,136
Other	855,210	83,366	12,201	8,381	8,497	112,408	7,625	11,866	7,675	9,165
Total expenditures	<u>77,762,500</u>	<u>78,450,024</u>	<u>83,135,285</u>	<u>72,592,731</u>	<u>73,382,826</u>	<u>76,311,910</u>	<u>69,865,826</u>	<u>68,872,489</u>	<u>78,464,569</u>	<u>79,629,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,488,521</u>	<u>11,396,354</u>	<u>(2,926,586)</u>	<u>1,652,036</u>	<u>7,891,918</u>	<u>(4,326,333)</u>	<u>(4,785,051)</u>	<u>(1,940,555)</u>	<u>(2,305,883)</u>	<u>(881,710)</u>

(Continued)

CITY OF GULFPORT, MISSISSIPPI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other financing sources (uses)										
Capital leases	\$ -	\$ 1,389,209	\$ 1,705,500	\$ -	\$ 1,163,948	\$ 1,910,117	\$ 415,679	\$ 517,622	\$ 10,000,000	\$ -
Capital contributions	-	-	-	1,179,182	-	-	480,000	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	-	(16,412,456)	-	-	-
Bond proceeds	23,580,164	-	35,000,000	-	-	16,000,000	15,025,000	-	-	-
Bond issue costs	-	-	-	-	-	-	(364,181)	-	-	-
Premium on refunding bonds	-	-	5,580,237	-	-	-	1,745,902	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	214,664
Sale of capital assets	97,571	16,320	80,724	119,250	78,338	62,548	401,699	884,922	1,070,368	106,085
Transfers in	-	13,594	938,447	3,006,652	569,812	581,558	-	536,337	1,193,605	773,380
Transfers out	(37,135,725)	(23,713,639)	(10,849,191)	(21,249,134)	(3,196,249)	(581,558)	-	(991,206)	(1,691,807)	(4,017,187)
British Petroleum settlement	-	-	-	-	-	4,402,962	-	-	-	-
Total other financing sources	<u>(13,457,990)</u>	<u>(22,294,516)</u>	<u>32,455,717</u>	<u>(16,944,050)</u>	<u>(1,384,151)</u>	<u>22,375,627</u>	<u>1,291,643</u>	<u>947,675</u>	<u>10,572,166</u>	<u>(2,923,058)</u>
Net change in fund balances	<u>\$ 30,531</u>	<u>\$ (10,898,162)</u>	<u>\$ 29,529,131</u>	<u>\$ (15,292,014)</u>	<u>\$ 6,507,767</u>	<u>\$ 18,049,294</u>	<u>\$ (3,493,408)</u>	<u>\$ (992,880)</u>	<u>\$ 8,266,283</u>	<u>\$ (3,804,768)</u>
Debt service as a percentage of noncapital expenditures	<u>20.12%</u>	<u>9.83%</u>	<u>9.67%</u>	<u>8.56%</u>	<u>8.98%</u>	<u>6.75%</u>	<u>6.38%</u>	<u>8.48%</u>	<u>7.54%</u>	<u>8.15%</u>

CITY OF GULFPORT, MISSISSIPPI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property (1)		Personal Property		Utilities		Automobiles		Total		Total Direct Tax Rate	Assessed to Actual
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value		
2020	\$ 505,721	\$ 3,696,791	\$ 89,310	\$ 595,400	\$ 150,011	\$ 1,000,073	\$ 86,330	\$ 287,767	\$ 831,372	\$ 5,580,031	34.0	14.85%
2019	502,198	3,671,038	86,918	579,453	139,306	928,707	86,708	289,027	815,130	5,468,225	34.0	14.80%
2018	489,795	3,580,373	80,723	538,153	141,481	943,207	81,771	272,570	793,770	5,334,303	34.0	14.81%
2017	474,145	3,465,972	75,361	502,407	134,461	896,407	79,771	265,903	763,738	5,130,689	34.0	14.79%
2016	471,288	3,445,088	75,200	501,333	133,476	889,840	75,991	253,303	755,955	5,089,564	34.0	14.81%
2015	457,861	3,346,937	82,237	548,247	126,978	846,520	69,253	230,843	736,329	4,972,547	34.0	14.85%
2014	459,586	3,359,547	82,689	551,260	127,697	851,313	68,175	227,250	738,147	4,989,370	34.0	14.89%
2013	460,129	3,363,516	81,023	540,153	131,213	874,753	69,407	231,357	741,772	5,009,779	34.0	14.88%
2012	466,503	3,410,110	83,309	555,393	129,334	862,227	69,948	233,160	749,094	5,060,890	34.0	14.91%
2011	459,746	3,360,716	80,905	539,367	125,478	836,520	73,952	246,507	740,081	4,983,110	34.0	14.85%

(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.

Source: Harrison County Tax Assessor

CITY OF GULFPORT, MISSISSIPPI

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	City of Gulfport			Overlapping Rates						Grand Total Millage
	Operating Millage	Debt Millage	Total Millage	Harrison County			Gulfport School District			
				Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	
2020	27.8	6.2	34.0	31.3	5.1	36.4	54.4	10.5	64.9	135.3
2019	27.8	6.2	34.0	31.3	5.1	36.4	53.4	11.5	64.9	135.3
2018	27.8	6.2	34.0	31.3	5.1	36.4	53.4	11.5	64.9	135.3
2017	27.7	6.3	34.0	31.3	5.1	36.4	53.4	11.5	64.9	135.3
2016	27.8	6.2	34.0	31.3	5.1	36.4	53.4	11.5	64.9	135.3
2015	27.8	6.2	34.0	31.1	5.1	36.2	53.6	11.3	64.9	135.1
2014	27.0	7.0	34.0	30.5	5.4	35.9	53.6	7.3	60.9	130.8
2013	27.0	7.0	34.0	30.5	5.4	35.9	53.9	7.0	60.9	130.8
2012	27.0	7.0	34.0	30.5	5.4	35.9	53.6	7.3	60.9	130.8
2011	27.0	7.0	34.0	30.5	5.4	35.9	53.0	7.9	60.9	130.8

Note: Ad valorem 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.

Source: Harrison County Tax Collector

CITY OF GULFPORT, MISSISSIPPI

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Gulfside Casino Partnership-Lessee	\$ 15,407	1	2.26%	\$ 20,783	2	2.85%
Island View Casino Resort/Gulfside	14,300	2	2.10%	-	-	-
CrossRoads Center	6,137	3	0.90%	5,337	4	0.73%
Hancock Bank	5,291	4	0.78%	4,079	6	0.56%
McDermott Inc - Lessee	3,375	5	0.50%	-	-	-
Gulf Coast Gulfport LLC	3,060	6	0.45%	-	-	-
GPCH-GP, Inc	2,797	7	0.41%	-	-	-
Anchor Development	2,787	8	0.41%	-	-	-
Wal-Mart	2,779	9	0.41%	-	-	-
Gulfport Factory Shops	2,540	10	0.37%	2,314	10	0.32%
Mississippi Power & Light	-	-	-	103,115	1	14.14%
Bell South	-	-	-	10,514	3	1.44%
HCA Realty	-	-	-	4,717	5	0.65%
E.I. Dupont	-	-	-	2,831	7	0.39%
Avondale Enterprises Inc.	-	-	-	2,460	8	0.34%
Harrison-Gulfport LLC	-	-	-	2,452	9	0.34%
Total	<u>\$ 58,473</u>		<u>8.59%</u>	<u>\$ 158,602</u>		<u>21.76%</u>

Source: Harrison County Tax Assessor

CITY OF GULFPORT, MISSISSIPPI

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(In thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 51,399	\$ 48,997	95.33%	\$ 393	\$ 49,390	96.09%
2019	50,599	48,373	95.60%	107	48,480	95.81%
2018	49,245	43,747	88.84%	(82)	43,665	88.67%
2017	45,860	44,042	96.04%	168	44,210	96.40%
2016	45,771	43,952	96.03%	350 *	44,302	96.79%
2015	45,583	43,784	96.05%	(513)	43,271	94.93%
2014	44,508	42,288	95.01%	341	42,629	95.78%
2013	45,014	42,399	94.19%	158	42,557	94.54%
2012	45,675	42,829	93.77%	200	43,029	94.21%
2011	45,642	42,620	93.38%	233	42,853	93.89%

* Net of Section 42 Housing repayments by the City.

CITY OF GULFPORT, MISSISSIPPI

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (In thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government Debt	Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Other General Obligation Debt	General Obligation Revenue Bonds	State Revolving Loans	Other Debt		
2020	\$ 41,137	\$ 687	\$ 35,000	\$ 53,504	\$ 7,276	\$ 10,700	\$ 148,304	16.12%
2019	22,222	4,551	38,320	21,499	27,541	10,793	124,926	17.85%
2018	24,137	3,755	39,360	26,153	22,262	10,842	126,509	17.03%
2017	26,342	2,788	5,370	30,698	22,560	10,922	98,680	21.73%
2016	28,445	3,319	6,350	35,525	32,331	11,061	117,031	17.79%
2015	31,212	25,468	7,305	40,253	32,516	10,952	147,706	17.75%
2014	17,320	793	8,307	42,140	23,380	-	91,940	22.69%
2013	15,545	518	26,686	46,035	25,258	2,986	117,028	18.44%
2012	18,345	-	28,026	49,460	27,312	3,308	126,451	16.48%
2011	21,005	326	23,538	52,735	29,407	3,338	130,349	13.78%

CITY OF GULFPORT, MISSISSIPPI

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS (In thousands)

Fiscal Year	Estimated Population	Assessed Property Value (1)	Gross General Obligation Bonds	Less Debt Service Funds	Net General Obligation Bonded Total	Percentage of Assessed Taxable Value of Property	Net Bonded Debt Per Capita
2020	72.9	\$ 831,372	\$ 41,137	\$ -	\$ 41,137	4.95%	\$ 564
2019	71.9	815,130	22,222	-	22,222	2.73%	309
2018	71.8	793,770	24,137	-	24,137	3.04%	336
2017	72.1	763,738	26,342	-	26,342	3.45%	365
2016	71.9	755,955	28,445	-	28,445	3.76%	415
2015	71.8	736,329	31,212	3,848	27,364	3.72%	403
2014	71	738,147	17,320	4,720	12,600	1.71%	177
2013	70.1	741,772	15,545	3,850	11,695	1.58%	167
2012	69.2	749,094	18,345	4,135	14,210	1.90%	205
2011	67.8	740,081	21,005	3,914	17,091	2.31%	252

(1) Schedule 5 "Assessed and Actual Value of Property"

CITY OF GULFPORT, MISSISSIPPI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT SEPTEMBER 30, 2020 (In thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Gulfport direct debt	\$ 77,917	100.00%	\$ 77,917
Debt repaid with property taxes:			
Harrison County	137,402	35.20%	48,366
Gulfport School District	40,447	100.00%	40,447
Overlapping debt	177,849		88,813
Total direct and overlapping debt	<u>\$ 255,766</u>		<u>\$ 166,729</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using assessed property values, by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total assessed value.

Source: Debt schedules for City of Gulfport, Harrison County, and Gulfport School Districts.

CITY OF GULFPORT, MISSISSIPPI

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (In thousands)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit (15%)	\$ 124,706	\$ 122,270	\$ 119,066	\$ 114,377	\$ 113,393	\$ 110,449	\$ 110,722	\$ 111,266	\$ 112,364	\$ 111,012
Total net GO debt applicable to limit	40,772	21,837	23,732	25,917	28,005	27,364	12,600	11,695	14,210	17,091
Legal debt margin	<u>\$ 83,933</u>	<u>\$ 100,433</u>	<u>\$ 95,334</u>	<u>\$ 88,460</u>	<u>\$ 85,388</u>	<u>\$ 83,085</u>	<u>\$ 98,122</u>	<u>\$ 99,571</u>	<u>\$ 98,154</u>	<u>\$ 93,921</u>
Total net debt applicable to the limit as a percentage of debt limit	32.69%	17.86%	19.93%	22.66%	24.70%	24.78%	11.38%	10.51%	12.65%	32.69%

CITY OF GULFPORT, MISSISSIPPI

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS (In thousands)

Fiscal Year	Water and Sewer Gross Revenue	Water and Sewer ⁽²⁾ Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements ⁽¹⁾			Coverage
				Principal	Interest	Total	
2020	\$ 29,702	\$ 29,069	\$ 633	\$ 3,162	\$ 573	\$ 3,735	16.96%
2019	32,040	25,843	6,197	2,917	596	3,513	176.40%
2018	34,956	22,010	12,946	2,850	1,867	4,717	274.45%
2017	33,939	22,983	10,956	3,185	2,333	5,518	198.55%
2016	32,210	22,942	9,268	3,998	2,333	6,331	146.39%
2015	32,420	23,714	8,706	4,119	2,181	6,300	138.19%
2014	30,559	23,652	6,907	1,995	1,791	3,786	182.44%
2013	30,402	20,669	9,733	1,895	1,890	3,785	257.15%
2012	30,282	21,172	9,110	1,800	1,985	3,785	240.69%
2011	28,700	18,394	10,306	1,710	2,075	3,785	272.29%

⁽¹⁾ Does not include GO Revenue Bonds in which the City has the option of using property or sales taxes to repay the debt.

⁽²⁾ Operating expenses are exclusive of depreciation and amortization.

CITY OF GULFPORT, MISSISSIPPI

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	School Enrollment ⁽¹⁾	Unemployment Rate ⁽¹⁾
2020	72,961	\$ 23,907	6,574	7.40%
2019	71,870	22,294	6,576	5.40%
2018	71,822	21,541	6,308	4.80%
2017	72,076	21,443	6,182	4.20%
2016	71,856	20,825	6,302	5.50%
2015	71,750	20,340	6,353	5.90%
2014	71,012	20,863	6,135	6.50%
2013	70,113	21,579	5,903	7.40%
2012	69,220	20,845	5,699	8.10%
2011	67,793	17,963	5,659	9.20%

⁽¹⁾ U.S. Census Bureau GCT-T1-R population estimates.

CITY OF GULFPORT, MISSISSIPPI

PRINCIPAL STAFF LAST TEN FISCAL YEARS

Employer	Fiscal Year																			
	2020		2019		2018		2017		2016		2015		2014		2013		2012		2011	
	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank
Memorial Hospital	4,953	1	3,331	2	3,331	2	3,331	2	3,331	2	3,331	2	3,331	2	3,290	2	3,290	2	2,894	2
Naval CBC Base	4,876	2	5,500	1	5,500	1	5,500	1	5,500	1	5,500	1	5,500	1	3,304	1	5,400	1	5,800	1
Gulfport Schools	2,724	3	848	6	848	6	848	6	848	6	848	7	848	6	831	6	818	6	900	6
Harrison Cty School	2,086	4	1,802	3	1,802	3	1,802	3	1,802	3	1,802	3	1,802	3	1,788	3	1,703	3	1,649	3
Island View Casino	1,976	5	1,210	4	1,210	4	1,206	4	1,206	4	1,293	4	1,206	4	1,207	4	1,337	4	1,188	5
Hancock Bank	864	6	864	5	864	5	864	5	864	5	864	5	864	5	864	5	864	5	864	7
Mississippi Power	728	7	728	7	728	7	728	7	728	7	728	8	728	7	728	7	728	8	1,253	4
Trent Lott Training	636	8	636	9	636	9	636	9	636	9	636	10	636	10	-	-	-	-	-	-
Wal-Mart	585	9	585	10	585	10	585	10	585	10	-	-	-	-	585	10	585	10	585	10
City of Gulfport	564	10	580	8	640	8	640	8	640	8	640	9	-	-	617	8	618	9	639	9
Gulf Coast Shipyard	-	-	-	-	-	-	-	-	-	-	851	6	650	8	-	-	-	-	-	-
Gulf Ship, LLC	-	-	-	-	-	-	-	-	-	-	-	-	650	9	608	9	-	-	-	-
Huntington Ingalls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	730	7	730	8
Total	19,992		16,084		16,144		16,140		16,140		16,493		16,215		13,822		16,073		16,502	

CITY OF GULFPORT, MISSISSIPPI

FULL-TIME EQUIVALENT CITY GOVERNMENTAL STAFF BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff	Full-Time Equivalent Staff
Mayor's Office	3	3	3	3	3	3	3	3	3	3
Council	7	7	7	9	9	9	9	9	8	8
Municipal Court	20	20	19.5	20.5	18.5	21.5	22.5	23.5	22.5	24
Legal	9	11	11	11	11	10	10	9	10	9
General Admin	25	30	32	32	32	32.5	33.5	33.5	31.5	33
Police:										
Officers	149	151	158	160	161.5	168	176	167.5	176	186
Civilians	58	56	49	53	56	58	57	57	60	62
Fire:										
Combat	141	146	151	151	152	156	149	158	154	158
Civilians	10	10	3	4	6	7	7	6	6	5
Public Works	35	36	31	35	36	36	37	35	34	33
Leisure Services	65	63	67	70.5	69.5	72	70.5	69.5	67	68
Community Dev	3	3	3	3	3	3	3	3	3	3
Urban/Economic Dev	23	26	26	27	26	27	27	26	26	31
Utility Department	16	18	18	17	18	18	18	18	17	18
Total	564	580	578	596	602	621	623	617	618	640

Source: City Finance Department.

CITY OF GULFPORT, MISSISSIPPI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Physical arrests	7,757	11,826	12,791	12,325	10,465	11,783	10,777	11,072	11,826	12,639
Parking violations	239	866	838	1,110	1,356	1,781	1,823	911	1,929	2,421
Traffic violations	13,670	15,724	13,648	17,998	22,371	21,679	26,213	19,766	21,063	25,037
Fire:										
Emergency responses	12,628	11,547	12,106	11,818	11,817	11,945	10,520	10,194	10,534	9,712
Fires extinguished	447	376	354	321	377	379	383	352	380	511
Inspections	1,550	2,361	1,775	2,241	1,624	1,956	2,325	2,220	3,616	1,548
Public Works:										
Street resurfacing (miles)	8	845.00	3.00	4.07	12.56	3.42	8.21	34	7	18.45
Potholes repaired	863	1,016	665	662	714	648	745	1,041	977	733
Parks and recreation:										
Center Admissions	90,303	219,847	238,547	275,898	342,690	369,577	406,632	294,462	253,384	337,268
Water:										
New connections	381	483	257	211	405	406	496	326	563	446
Water main breaks	24	10	14	27	21	33	42	36	28	23
Average daily consumption (millions of gallons)	9,613,000	9,482,329	8,613,616	8,091,917	7,370,000	7,645,740	6,740,942	8,871,332	9,898,706	8,529,219
Wastewater:										
Average daily sewage treatment (millions of gallons)	10,000,000	11,980,000	12,820,000	132,000,000	13,180,000	11,860,100	11,780,200	11,044,900	10,910,833	10,078,400

CITY OF GULFPORT, MISSISSIPPI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	61	63	66	61	58	66	60	60	63	72
Fire stations:	11	11	11	11	11	11	11	11	12	12
Public works:										
Streets (miles)	1,256	1,254	1,254	1,254	1,021	1,021	1,021	1,021	614	614
Street lights	13,636	13,622	13,518	13,510	13,379	10,273	10,765	9,383	9,543	9,356
Traffic signals	111	111	111	111	110	110	110	110	110	110
Parks and recreation:										
Acreage	600	600	600	600	600	600	600	600	600	600
Playgrounds	19	19	19	19	19	19	19	19	19	19
Ballfields	43	43	38	38	38	38	38	38	38	38
Tennis courts	7	7	7	7	7	7	7	7	7	7
Parks	31	31	31	31	31	31	31	31	31	31
Community centers	10	10	10	10	10	10	11	10	11	14
Waterfront piers	6	6	6	6	6	6	6	6	6	6
Boat launch ramps	14	14	14	14	14	14	14	14	14	14
Small craft harbor slips	319	319	319	319	319	319	319	319	319	319
Water:										
Water mains (miles)	524	521	452	450	448	447	423	418	412	409
Fire hydrants	3,976	3,756	3,713	3,850	3,856	3,850	3,650	3,614	3,559	3,538
Storage capacity (gallons)	5,775,000	5,775,000	5,775,000	5,775,000	5,775,000	5,775,000	6,108,000	6,108,000	6,550,000	5,550,000
Wastewater:										
Sanitary sewers (miles)	532	529	524	523	523	522	502	501	500	499
Storm sewers (miles)	506	506	505	505	505	504	502	501	500	499
Treatment capacity (gallons)	18,250,000	18,250,000	18,250,000	20,750,000	17,000,000	26,907,600	27,571,500	27,550,417	30,905,833	20,235,000

CITY OF GULFPORT, MISSISSIPPI

**SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2020**

NAME AND POSITION	AMOUNT	EXPIRES
Kenneth L. Casey, Sr., Councilman, Ward 1	\$ 100,000	6/30/2021
Ronald P. Roland, Councilman Ward 2	100,000	6/30/2021
Ella Jean Holmes-Hines, Councilwoman Ward 3	100,000	6/30/2021
F.B. "Rusty" Walker IV, Councilman, Ward 4	100,000	6/30/2021
Myles Sharp, Councilman, Ward 5	100,000	6/30/2021
Robert "R. Lee" Flowers II, Councilman Ward 6	100,000	6/30/2021
Cara L. Pucheu, Councilwoman, Ward 7	100,000	6/30/2021
William G. "Billy" Hewes III, Mayor	100,000	6/30/2021
John R. Kelly, Chief Administrator Officer	50,000	3/17/2021
Gerard Bellocq, Comptroller / City Clerk	50,000	5/21/2021
Travis Hart, Deputy City Clerk	50,000	6/18/2023
Cherie Randall, Deputy City Clerk	50,000	6/18/2023
David C. Ryle, Chief of Police	50,000	10/1/2021
Antoinette F. White, Deputy City Clerk	50,000	9/8/2021
Terri N. Fairley, Court Administrator	50,000	11/7/2020
Brittany Rodgers, Deputy City Clerk	50,000	1/20/2021