



CITY OF RIDGELAND, MISSISSIPPI

Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2017

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

CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organization Chart	7
Listing of City Officials	8
Geographic Location	10
FINANCIAL SECTION:	
Independent Auditor's Report	11
Management's Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Exhibit A-1	
Statement of Net Position	38
Exhibit A-2	
Statement of Activities	39
Fund Financial Statements:	
Governmental Funds:	
Exhibit A-3	
Balance Sheet	40
Exhibit A-4	
Reconciliation of the Balance Sheet to the Statement of Net Position	41
Exhibit A-5	
Statement of Revenues, Expenditures, and Changes in Fund Balances	42
Exhibit A-6	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	43
Proprietary Funds:	
Exhibit A-7	
Statement of Net Position	44
Exhibit A-8	
Statement of Revenues, Expenses, and Changes in Net Position	45
Exhibit A-9	
Statement of Cash Flows	46
Notes to Financial Statements	48

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:

Exhibit B-1	
Budgetary Comparison Schedule - General Fund	88
Exhibit B-2	
Schedule of the City's Proportionate Share of the Net Pension Liability	90
Exhibit B-3	
Schedule of the City's Contributions	91
Notes to Required Supplementary Information	92

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

Exhibit C-1	
Debt Service Fund	94
Exhibit C-2	
Colony Park TIF Bond Debt Fund	95
Exhibit C-3	
City Center Fund	96

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

Exhibit C-4	
Combining Balance Sheet - Nonmajor Governmental Funds	99
Exhibit C-5	
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	100

Budgetary Comparison Schedule - Nonmajor Special Revenue Fund:

Exhibit C-6	
Forfeiture and Seizure Fund	101

Combining Statements - Nonmajor Debt Service Funds:

Exhibit C-7	
Combining Balance Sheet - Nonmajor Debt Service Funds	102
Exhibit C-8	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	103

Budgetary Comparison Schedules - Nonmajor Debt Service Funds:

Exhibit C-9	
School Creek Intercept Special Assessment Fund	104
Exhibit C-10	
Avery Boulevard Special Assessment Bond Fund	105
Exhibit C-11	
Lowe's TIF Note Debt Fund	106

Combining Statements - Nonmajor Capital Project Funds:

Exhibit C-12	
Combining Balance Sheet - Nonmajor Capital Projects Funds	107
Exhibit C-13	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	108

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

Nonmajor Governmental Funds - continued:

Budgetary Comparison Schedules - Nonmajor Capital Project Funds:

Exhibit C-14	
Jackson Street Multi-Use Fund	109
Exhibit C-15	
City Entrance Sign Hwy 51 Fund	110
Exhibit C-16	
East Lake Harbour Overlay Fund	111
Exhibit C-17	
Avery Boulevard Special Assessment Fund	112
Exhibit C-18	
Colony Park Boulevard Fund	113
Exhibit C-19	
County Line Milling/Overlay Fund	114
Exhibit C-20	
Lake Harbour Reconstruction of Hwy 51 to Northpark Drive Fund	115
Exhibit C-21	
2014 \$5.1 M Bond Issue Fund	116
Exhibit C-22	
Lake Harbour Drive Extension Fund	117
Exhibit C-23	
Harbour Crossing TIF Fund	118
Exhibit C-24	
Highland Colony Rehab Fund	119
Exhibit C-25	
Craft Center Parking Lot Fund	120
Exhibit C-26	
2011 \$5.825 M Bond Issue Fund	121
Exhibit C-27	
2015 \$11.9 M Bond Issue Fund	122

SUPPLEMENTAL INFORMATION:

Schedule D-1: Schedule of Investments - All Funds	123
Schedule D-2: Schedule of Surety Bonds for Municipal Officials	124
Schedule D-3: Schedule of Changes in Long-Term Debt	125

STATISTICAL SECTION:

Financial Trends:

Table 1: Fund Balance and Net Position by Components	127
Table 2: Changes in Net Position	129
Table 3: Changes in Fund Balances of Governmental Funds	132
Table 4: General Governmental Expenditures by Function	134
Table 5: General Government Tax Revenue by Source	135

STATISTICAL SECTION - CONTINUED:

Revenue Capacity:

Table 6: Property Tax Levies and Collections	136
Table 7: Assessed and Actual Value of Property	137
Table 8: Property Tax Rates - Direct and Overlapping Governments	138
Table 9: Principal Taxpayers	139

Debt Capacity:

Table 10: Special Assessment Billings and Collections	140
Table 11: Computation of Direct and Overlapping Bonded Debt	141
Table 12: Ratios of Outstanding Debt by Type	142
Table 13: Legal Debt Margin Information	143
Table 14: Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	144
Table 15: Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures	145
Table 16: Pledged Revenues	146

Demographic and Economic Information:

Table 17: Demographic and Economic Statistics	147
Table 18: Education Related Information	148
Table 19: Principal Employers	149
Table 20: Construction Activity	150
Table 21: Property Value and Construction	151

Operating Information:

Table 22: Full-time Equivalent Government Employees by Function	152
Table 23: Operating Indicators by Function	153
Table 24: Capital Assets Indicators by Function	154
Table 25: Miscellaneous Statistics	155

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	156
--	-----

Schedule of Findings and Responses	158
---	-----

Summary Schedule of Prior Audit Findings	159
---	-----

STATE COMPLIANCE SECTION:

Independent Auditor's Report on Compliance with State Laws and Regulations	160
---	-----

INTRODUCTORY SECTION (UNAUDITED)

This section contains a letter of transmittal intended to give the reader a concise but thorough understanding of the background, structure, and the economic and financial condition of the City. An organizational chart is included along with a listing of principal City officials.



March 21, 2018

To the Citizens of the City of Ridgeland, Mississippi:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgeland, Mississippi, for the fiscal year ended September 30, 2017. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the management of the City of Ridgeland. This report was prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America.

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

Haddox Reid Eubank Betts PLLC, Certified Public Accountants, performed an 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, of the basic financial statements for the City of Ridgeland. Their unmodified opinion is presented as the first page of the financial section of this report.

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

Profile of the Government

The City of Ridgeland, incorporated in 1899, is located in central Mississippi in south Madison County. With a land area of 22 square miles, the City has grown rapidly since 1980. The City of Ridgeland has seen continuous growth in population from census figures of 11,714 in 1990 to 20,173 in 2000 to 24,047 in 2010. The latest population count as of July 1, 2016 is 24,483.

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

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

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

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

Profile of the Government - continued:

Ridgeland is a code-charter municipality that operates under a Mayor/Board of Aldermen form of government. The Mayor is full-time and is elected at-large. Of the seven aldermen, six are elected by ward and one is elected at-large. The Mayor and Board serve concurrent four-year terms. The next city-wide general election will be held in 2021.

Accounting System and Budgetary Control

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

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

Factors Affecting Financial Condition

The City of Ridgeland is located in one of the fastest growing areas of the state. The City has seen steady economic growth from the 1980s through 2017. The valuation of non-residential permits issued by the City of Ridgeland increased by approximately \$9 million from 2016 to 2017. The unemployment rate has decreased from 4.4% in 2016 to 3.6% in 2017.

Ridgeland continues to enjoy a balanced mix of residential and commercial development. The opening of 950,000 square foot Northpark mall in 1985 was the catalyst for a retail building boom in this area. Northpark mall announced a \$25 million renovation in 2017 that will be constructed in 2018. This renovation will include new interior finishes, new interior lighting, an expanded food court, new entrance features, new parking lot LED lighting, and repaving the parking lot. Once complete, the mall is expected to have a brand new feel with a modern style with Southern charm and is expected to boost values and leases in the area. Other commercial development quickly followed, with an associated increase in residential construction. In 2002 Madison County saw the beginning operations of a \$930 million Nissan production plant, which employs as many as four thousand employees in its automotive production facilities.

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

Factors Affecting Financial Condition - continued:

recreational, and housing uses. In addition, several neighborhoods have developed around the Parkway. The Township continues to grow and is planning a new hotel and conference center to begin construction in late 2018 or early 2019. The Highland Colony Parkway corridor remains the fastest growing area of the City of Ridgeland.

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

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

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

Long-Term Financial Planning

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

Major Initiatives

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

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

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

Major Initiatives - continued:

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

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

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

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

In 2011, the City of Ridgeland issued \$5,825,000 in bonds for the design and construction of a City Center, which was selected as the priority project by the citizen-based Master Plan Steering Committee. The above and below-ground concrete which was left by a former concrete bridge beam construction company has been removed. Currently, the proposed site plan design is being finalized. The City is waiting for the bids on the Lake Harbour Drive Extension before construction begins to ensure there is adequate funding for all current projects. The 2011 bonds also funded the construction of an open-air pavilion at the multi-use trail head. The pavilion includes picnic tables, restrooms, a bike rack and a bike repair station.

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

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

Mississippi law limits the amount of general obligation debt a municipality may issue to 15% of total assessed valuation. With an assessed valuation of \$458,535,747, the City of Ridgeland's margin for further issuance of general obligation debt is \$41,634,433 as of September 30, 2017.

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

Financial Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgeland for its

Financial Awards and Acknowledgements - continued:

Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

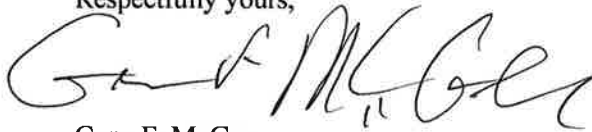
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The reports must satisfy both generally accepted accounting principles and applicable legal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

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

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

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

Respectfully yours,



Gene F. McGee
Mayor
City of Ridgeland



Paula Tierce
City Clerk
City of Ridgeland



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ridgeland
Mississippi**

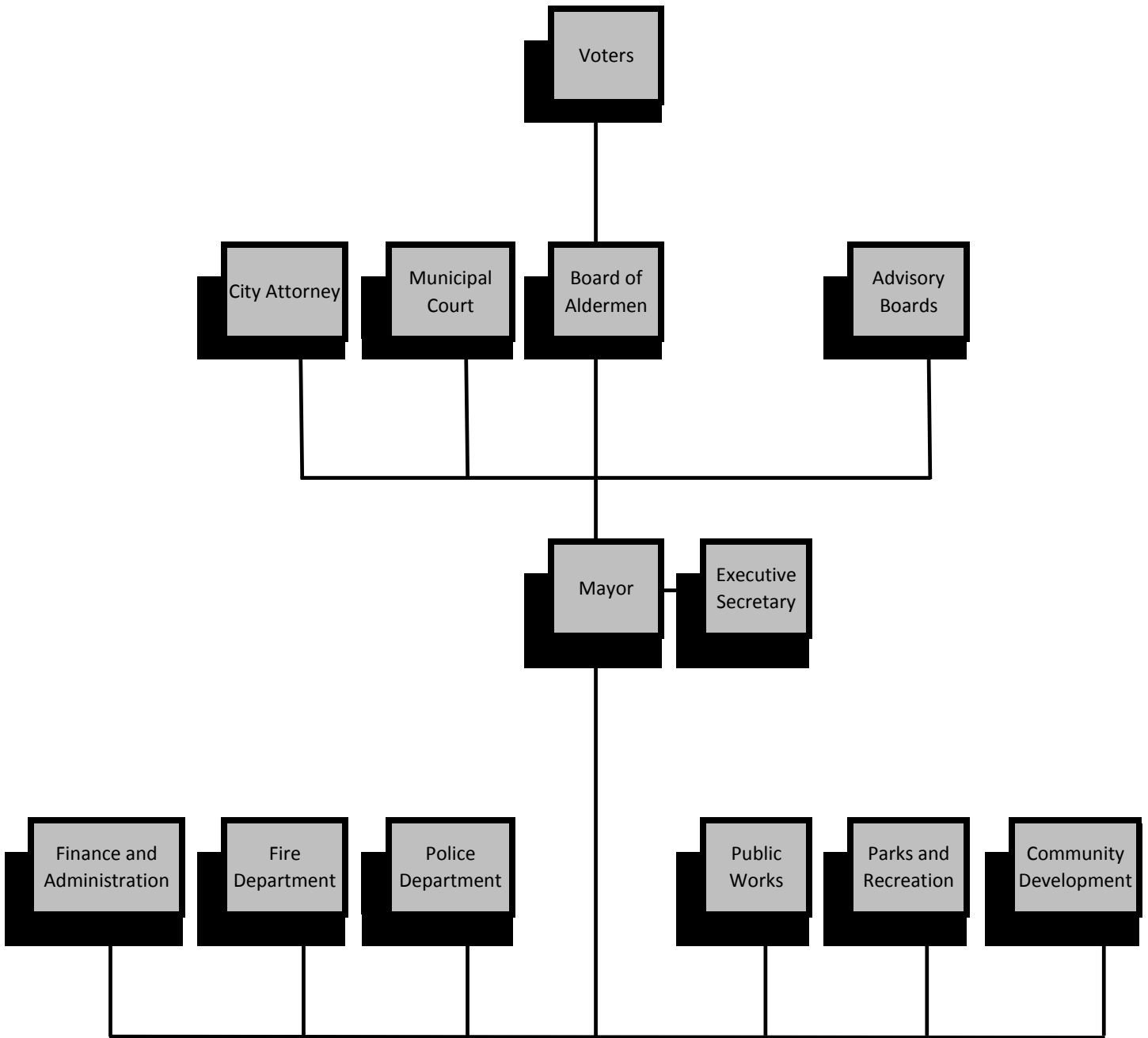
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

**CITY OF RIDGELAND
ORGANIZATION CHART**



CITY OF RIDGELAND
LISTING OF CITY OFFICIALS
AS OF SEPTEMBER 30, 2017

Elected Officials



Gene F. McGee
Mayor



Ken Heard
Alderman - Ward 1



Chuck Gautier
Alderman - Ward 2
Mayor Pro Tempore



Kevin Holder
Alderman - Ward 3



Brian Ramsey
Alderman - Ward 4



William "Bill" Lee
Alderman - Ward 5



Wesley Hamlin
Alderman - Ward 6

CITY OF RIDGELAND
LISTING OF CITY OFFICIALS (continued)
AS OF SEPTEMBER 30, 2017

Elected Officials

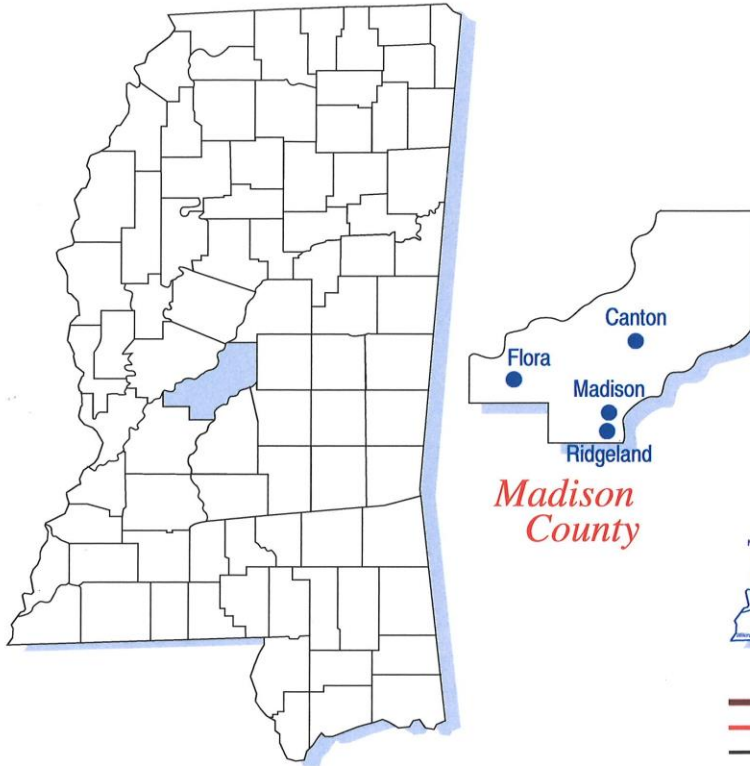


D.I. Smith
Alderman At Large

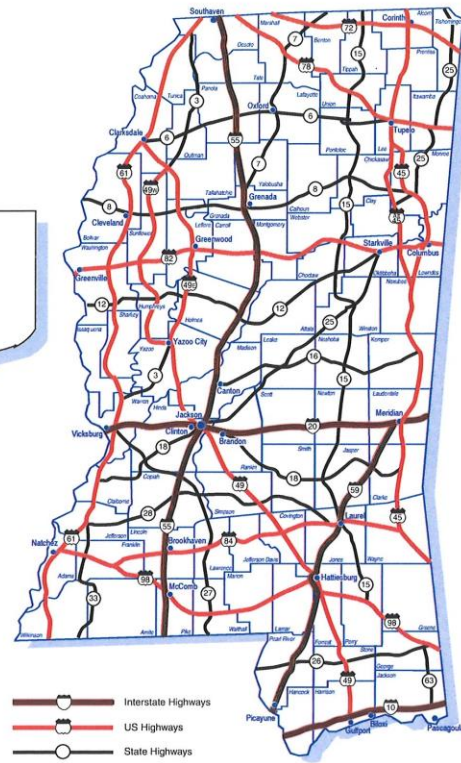
Appointed Officials

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

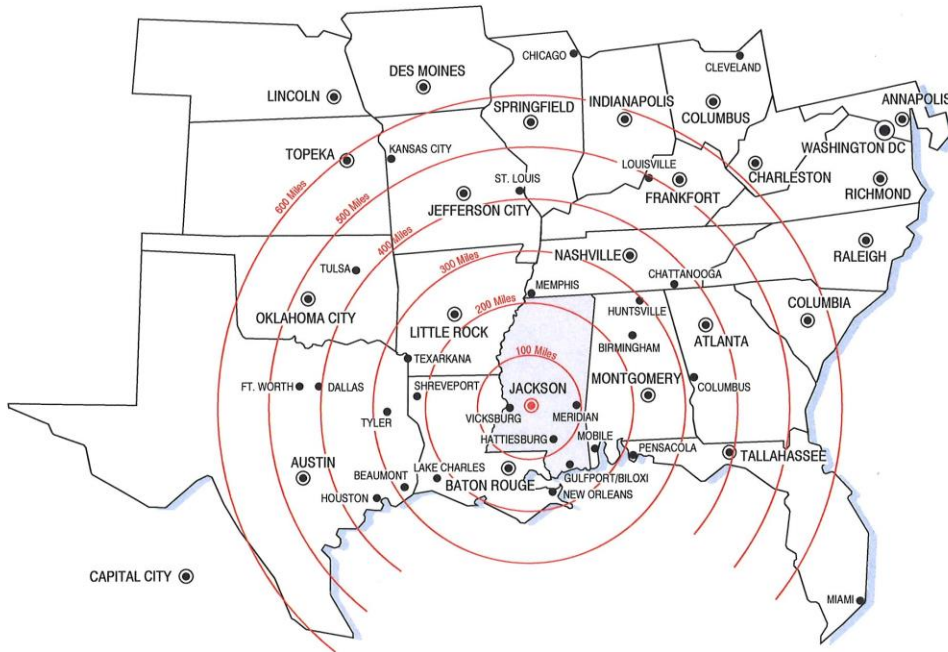
County Location



Federal/State Highways



Regional Map



FINANCIAL SECTION



CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Auditor's Responsibility - continued:

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 to 37, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of the City's Contributions, and budgetary comparison information (Exhibits B1-B3) on pages 88 to 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ridgeland, Mississippi's basic financial statements. The introductory section, combining and individual fund financial statements and schedules (Exhibits C1 - C27), supplemental information section (Schedules D-1 - D-3) and statistical section (Tables 1 - 25), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters - continued:

Other Information - continued:

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

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2018, on our consideration of the City of Ridgeland, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ridgeland, Mississippi's internal control over financial reporting and compliance.

Haddock Reid Eubank Betts PLLC

Jackson, Mississippi
March 21, 2018

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2017

Our discussion and analysis of the City of Ridgeland's (the City) financial performance provides an overview of the City's financial activities for the year ended September 30, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are also encouraged to review the financial statements and the notes to the financial statements to enhance their understandings of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position of the City decreased \$364,527, as a result of this year's operations (\$3,027,624 increase in 2016).
- General revenues of the City account for \$25,466,163 or 63.4% of all revenues in 2017. General revenues accounted for \$27,042,357 or 58.9% of all revenues in 2016. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,734,563 or 36.6% of total revenues in 2017, compared with \$18,860,910 or 41.1% of total revenues in 2016.
- The City had \$40,565,253 in expenses, an amount which decreased when compared with the \$42,875,643 in expenses for 2016; \$14,734,563 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$25,466,163 were not adequate to provide for these programs in 2017, while general revenues of \$27,042,357 were adequate to provide for these programs in 2016.
- Among the major funds, the General Fund had \$22,282,688 in revenues and \$23,038,136 in expenditures. In 2016, the General Fund had \$22,885,862 in revenues and \$23,111,827 in expenditures. The General Fund's fund balance decreased by \$803,695 from 2016 to 2017 and decreased by \$521,766 from 2015 to 2016.
- Public Utility Enterprise Fund had \$6,806,565 in operating revenues and \$6,846,917 in operating expenses. Its decrease in net position after net non-operating expenses, transfers, and capital contributions was \$335,063. Last year it reported \$6,924,368 in operating revenues and \$7,152,829 in operating expenses. The prior year decrease in net position was \$497,276 after net non-operating expenses and capital contributions.
- Capital assets, net of accumulated depreciation, decreased by \$1,162,332 in the governmental activities after restatement from 2016 to 2017. Capital assets, net of accumulated depreciation, increased by \$558,465 in the governmental activities from 2015 to 2016.
- Capital assets, net of accumulated depreciation, decreased by \$701,803 in the business-type activities after restatement from 2016 to 2017. Capital assets decreased \$639,972 in the business-type activities from 2015 to 2016.

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2017

FINANCIAL HIGHLIGHTS - CONTINUED:

- Long-term debt decreased by \$4,172,840 in the governmental activities from 2016 to 2017. The decrease was attributed to current year principal payments on long-term debt. Long-term debt increased by \$8,629,369 in the governmental activities from 2015 to 2016.
- Long-term debt decreased by \$710,073 in the business-type activities from 2016 to 2017. The decrease was attributed to current year principal payments on long-term debt. Long-term debt decreased by \$531,065 in the business-type activities from 2015 to 2016.

USING THE ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position for the 2017 fiscal year and changes in them. The City's net position - assets plus deferred outflows of resources less liabilities and deferred inflows of resources - is one way to measure the City's financial health or financial

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2017

REPORTING THE CITY AS A WHOLE - CONTINUED:

Statement of Net Position and Statement of Activities - continued:

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 40. The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to the City's residents. Some funds are required to be established by State law, while others are established by the City to help control and manage money for a particular purpose. However, these fund financial statements focus on the City's most significant funds. The City's two types of funds - governmental and proprietary - utilize different accounting approaches.

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

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2017

REPORTING THE CITY AS A WHOLE - CONTINUED:

Reporting the City's Most Significant Funds - continued:

Fund Financial Statements - continued:

Governmental funds - continued:

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

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

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

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

FINANCIAL ANALYSIS OF THE CITY

Over time the trend as well as the amount of net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$220,658,586 at September 30, 2017.

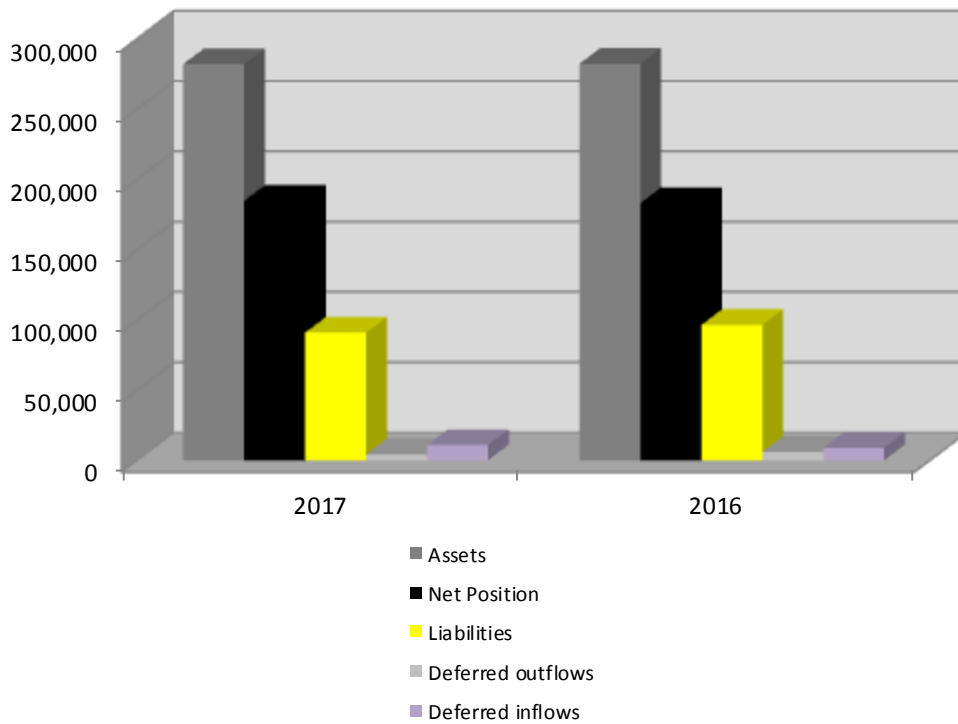
CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities

The following chart depicts the total amount of assets, deferred outflows, liabilities, deferred inflows and net position as of September 30, 2017 and 2016 in the governmental activities column of the government-wide financial statements. The amounts are expressed in thousands.



The largest portion of the City's net position for governmental activities (\$167,990,092, or 91.1%) is net investment in capital assets (capital assets less any capital related outstanding debt used to acquire those capital assets). Although the City's investment in capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and not the capital assets themselves.

Table 1 provides a summary of the City's net position for governmental activities. The City's net position for governmental activities was \$184,365,289 and \$182,804,226 as of September 30, 2017 and 2016, respectively. Prior year amounts have not been restated to reflect the effect of the current year prior period adjustment.

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

(Table 1)
Condensed Statement of Net Position - Governmental Activities
At September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Percentage Change</u>
ASSETS:			
Current and other assets	\$ 54,015,185	55,452,792	-2.6%
Capital assets	<u>227,623,348</u>	<u>226,417,856</u>	0.5%
Total assets	<u>281,638,533</u>	<u>281,870,648</u>	-0.1%
Deferred outflows of resources:			
Deferred outflows related to pension	<u>4,194,830</u>	<u>5,887,433</u>	-28.7%
Total deferred outflows of resources	<u>4,194,830</u>	<u>5,887,433</u>	-28.7%
LIABILITIES:			
Current liabilities	7,779,975	7,313,084	6.4%
Noncurrent liabilities	<u>82,901,695</u>	<u>88,853,161</u>	-6.7%
Total liabilities	<u>90,681,670</u>	<u>96,166,245</u>	-5.7%
Deferred inflows of resources:			
Unavailable property taxes	7,978,637	7,822,120	2.0%
Deferred inflows related to pension	<u>2,807,767</u>	<u>965,490</u>	190.8%
Total deferred inflows of resources	<u>10,786,404</u>	<u>8,787,610</u>	22.7%
NET POSITION:			
Net investment in capital assets	167,990,092	162,630,035	3.3%
Restricted	27,218,045	28,229,297	-3.6%
Unrestricted	<u>(10,842,848)</u>	<u>(8,055,106)</u>	-34.6%
Total net position	<u>\$ 184,365,289</u>	<u>182,804,226</u>	0.9%

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

Total unrestricted net position (deficit)	\$ (10,842,848)
Less unrestricted deficit in net position resulting from implementation of GASB No. 68 and 71	<u>25,486,620</u>
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ 14,643,772</u>

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

The Changes in Net Position for the years ended September 30, 2017 and 2016 are summarized in Table 2 below. Prior year amounts have not been restated to reflect the effect of the current year prior period adjustment.

(Table 2)
Condensed Statement of Changes in Net Position
For the Years Ended September 30, 2017 and 2016

	2017	2016	Percentage Change
REVENUES:			
Program revenues:			
Charges for services	\$ 2,873,270	3,281,613	-12.4%
Operating grants and contributions	203,572	223,871	-9.1%
Capital grants and contributions	478,691	3,798,644	-87.4%
Total program revenues	<u>3,555,533</u>	<u>7,304,128</u>	-51.3%
General revenues:			
Property taxes	9,880,924	9,661,857	2.3%
Sales taxes	13,220,505	13,597,992	-2.8%
Other revenues	2,315,786	3,621,342	-36.1%
Total general revenues	<u>25,417,215</u>	<u>26,881,191</u>	-5.4%
Total revenues	<u>28,972,748</u>	<u>34,185,319</u>	-15.2%
EXPENSES:			
General government	4,748,632	5,665,790	-16.2%
Public safety	12,314,511	11,785,070	4.5%
Court services	216,418	324,176	-33.2%
Public services	7,581,272	7,319,096	3.6%
Health and welfare	86,097	54,177	58.9%
Culture and recreation	2,737,577	2,697,019	1.5%
Interest on long-term debt	2,495,002	2,570,245	-2.9%
Bond issuance costs	-	365,228	-100.0%
Total expenses	<u>30,179,509</u>	<u>30,780,801</u>	-2.0%
CHANGES IN NET POSITION BEFORE TRANSFERS	(1,206,761)	3,404,518	-135.4%
TRANSFERS	<u>400,000</u>	<u>-</u>	100.0%
INCREASE (DECREASE) IN NET POSITION	(806,761)	3,404,518	-123.7%
NET POSITION, BEGINNING OF YEAR, as previously reported	182,804,226	179,399,708	1.9%

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

**Table 2 - continued:
Condensed Statement of Changes in Net Position
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Percentage Change</u>
PRIOR PERIOD ADJUSTMENT	\$ <u>2,367,824</u>	<u>-</u>	100.0%
NET POSITION AT BEGINNING OF YEAR, as restated	<u>185,172,050</u>	<u>179,399,708</u>	3.2%
NET POSITION AT END OF YEAR	\$ <u>184,365,289</u>	<u>182,804,226</u>	0.9%

Governmental activities revenues decreased \$5,212,571 from 2016 to 2017. The most significant decreases resulted from the following:

- A \$3,319,953 decrease in capital grant and contribution revenue for the Lake Harbour Drive Extension Fund and the Craft Center Parking Lot Fund as a result of less construction activity during 2017 compared to 2016.
- A decrease of \$370,213 in fines and forfeitures revenue due in part to a decrease in the number of traffic and parking violations issued for the year.
- A decrease of \$909,474 in intergovernmental revenue received from Madison County in the Colony Park TIF Bond Debt Fund. Two annual payments were received from Madison County in 2016 as a result of the timing of information received from the State of Mississippi.
- A decrease of \$377,487 in sales tax revenue resulting from more conservative consumer spending in 2017 compared to 2016.

Several revenue sources fund our governmental activities. The City’s largest source of operating revenue was received from sales tax which accounted for \$13,220,505 or 45.6% of gross revenue; revenues from charges for services accounted for \$2,873,270 or 9.9% of gross revenues; and property taxes accounted for \$9,880,924 or 34.1% of revenues. Capital and operating grants and contributions amounted to \$682,263 or 2.4% of gross revenue.

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Governmental Activities - continued:

Governmental activities expenses decreased \$601,292 from 2016 to 2017. The majority of the decrease resulted from the following:

- A decrease of \$365,228 in bond issuance costs as a result of the City not issuing any new bonds in 2017.
- A decrease of \$75,243 in interest expense on long-term debt.
- A decrease of \$191,201 in expenses related to compensated absences.

Major expense activities include police and fire safety expenses accounting for 40.8% of the total program expenses, and public services expenses accounting for 25.1%. The City of Ridgeland is committed to providing the best services possible for its citizens.

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

General Government Functions

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

**Table 3
General Fund Revenues and Expenditures
For the Years Ended September 30, 2017 and 2016**

	2017	2016	Dollar Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Sales tax	\$ 11,395,154	11,826,998	(431,844)	-3.7%
Property tax	5,583,266	5,426,781	156,485	2.9%
Franchise fees	1,167,115	1,245,746	(78,631)	-6.3%
Licenses and permits	399,184	392,421	6,763	1.7%

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Table 3
General Fund Revenues and Expenditures - continued:
For the Years Ended September 30, 2017 and 2016

	2017	2016	Dollar Increase (Decrease)	Percent Increase (Decrease)
Revenues - continued:				
Intergovernmental	\$ 912,887	1,031,312	(118,425)	-11.5%
Charges for services	815,290	796,744	18,546	2.3%
Fines and forfeitures	1,679,288	1,881,420	(202,132)	-10.7%
Contributions	32,431	-	32,431	100.0%
Interest earned	189,669	163,585	26,084	15.9%
Net unrealized loss on investments	(66,826)	(27,959)	(38,867)	139.0%
Other	175,230	148,814	26,416	17.8%
Total revenues	<u>22,282,688</u>	<u>22,885,862</u>	<u>(603,174)</u>	-2.6%
Expenditures:				
General government	4,243,114	5,216,934	(973,820)	-18.7%
Public safety	10,225,267	9,877,199	348,068	3.5%
Court services	190,579	286,576	(95,997)	-33.5%
Public services	4,423,107	4,328,045	95,062	2.2%
Health and welfare	86,097	54,177	31,920	58.9%
Culture and recreation	2,194,921	2,158,910	36,011	1.7%
Capital outlay	1,615,169	1,169,058	446,111	38.2%
Debt service	59,882	20,928	38,954	186.1%
Total expenditures	<u>\$ 23,038,136</u>	<u>23,111,827</u>	<u>(73,691)</u>	-0.3%

Revenues

The primary source of General Fund revenues is sales tax. The State of Mississippi levies a general sales tax of 7% on most retail sales. Of the amount collected by the state, each municipality receives 18.5% of the amount collected within its corporate boundaries. Sales tax accounted for 51.1% of General Fund revenues in fiscal year 2017, compared to 51.7% in fiscal year 2016. Sales tax collections in fiscal year 2017 were \$11,395,154, a 3.7% decrease compared to the \$11,826,998 collected in 2016. Total General Fund operating revenues were \$22,282,688, a decrease of \$603,174 compared to the prior year.

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

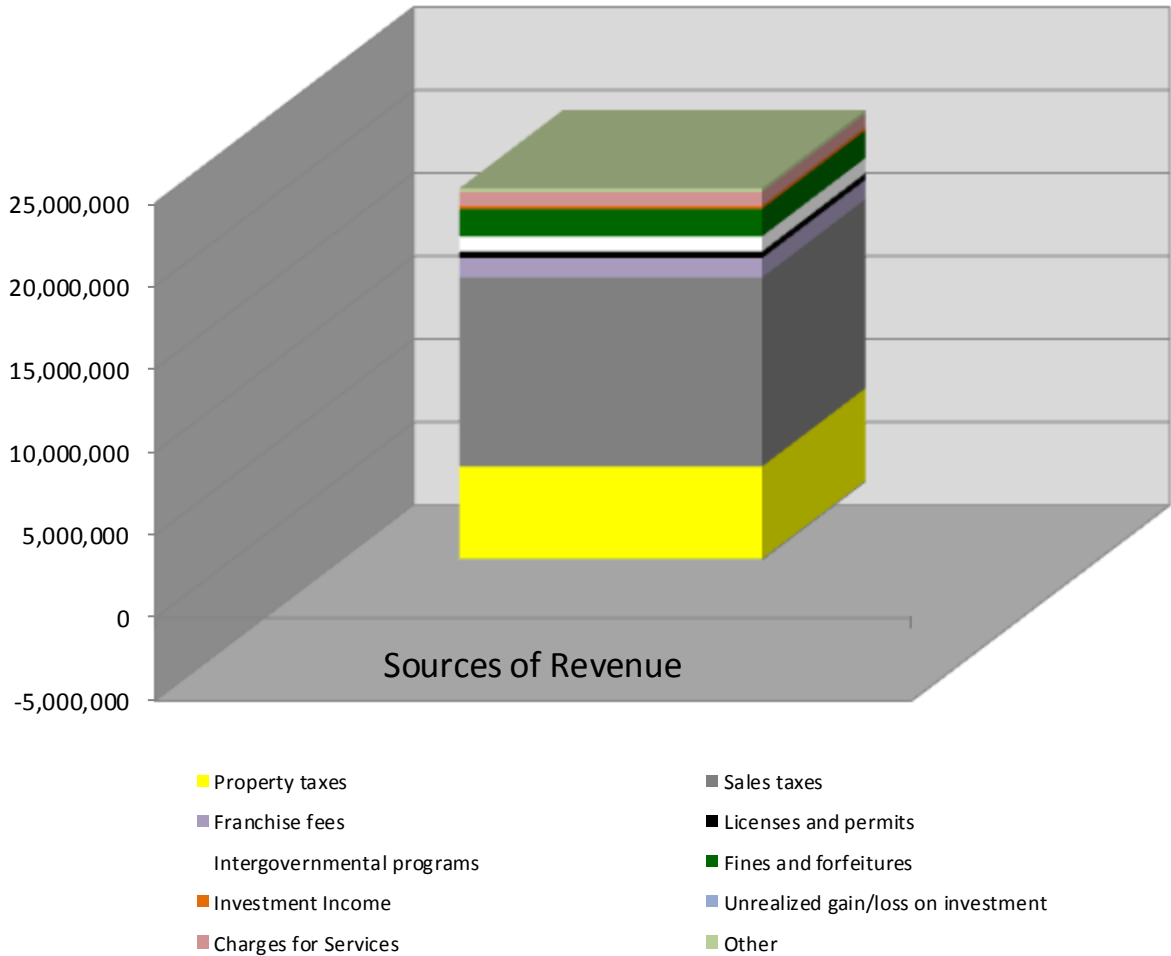
FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Revenues - continued:

Assessed valuation within the City has increased 1.3% from fiscal year 2016. The City continues to attract residents and businesses alike. The following graph presents the City’s sources of revenue for the General Fund.

General Fund 2017 Revenue Sources



CITY OF RIDGELAND, MISSISSIPPI

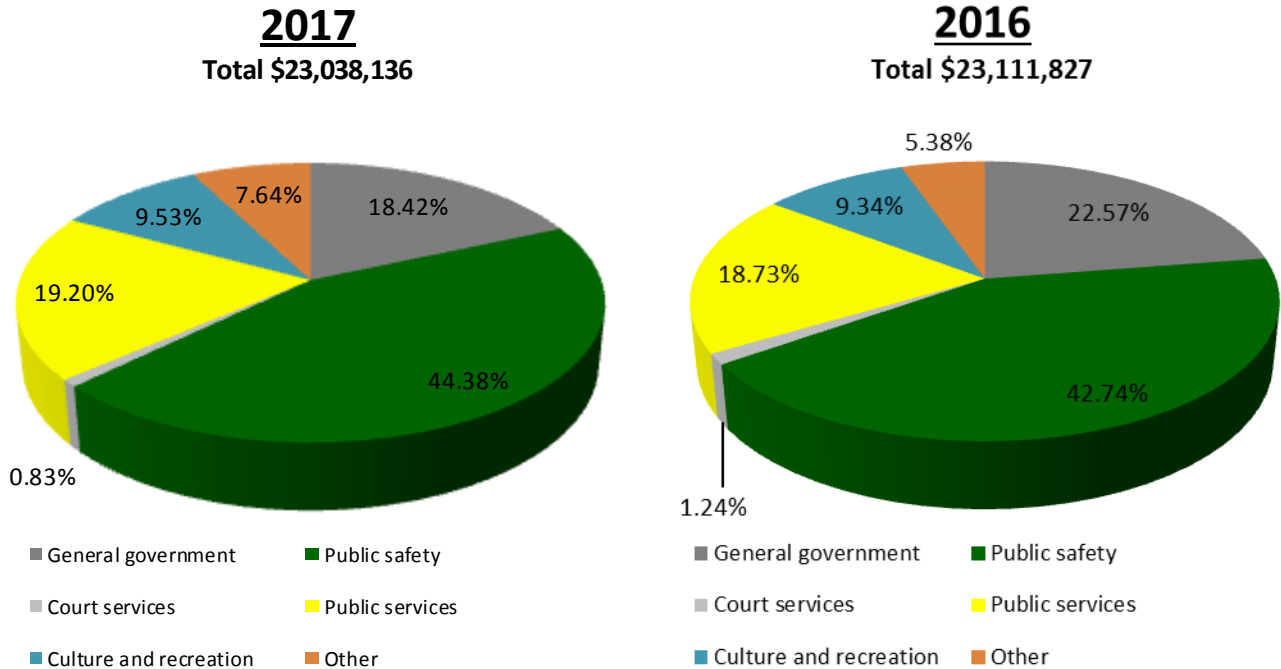
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Expenditures

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



General Fund operating expenditures decreased \$73,691 when compared to the prior year. During the year, the City strived to save money where possible. Decreases in expenditures include a decrease in legal fees for general government in the amount of \$1,052,717 which was offset by increases in capital outlay in the amount of \$446,111 and personnel services in the amount of \$309,609.

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

CITY OF RIDGELAND, MISSISSIPPI

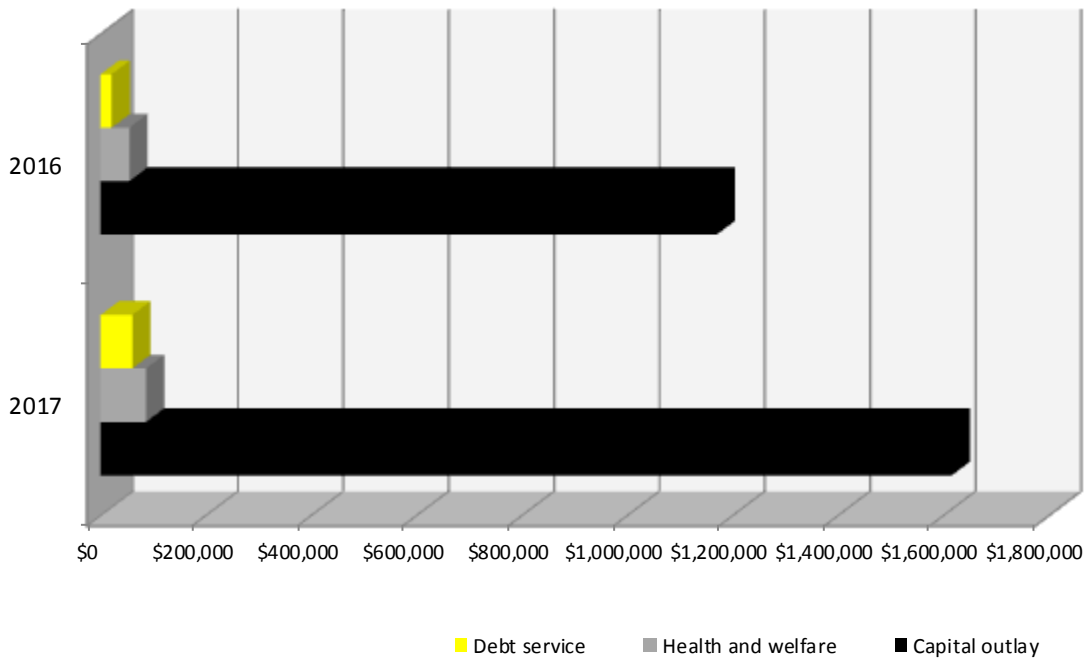
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Expenditures - continued:

General Fund’s Other Expenditures



Status of Fund Balance

On the General Fund balance sheet, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and the remaining portion is available for appropriation. The fiscal year ended September 30, 2017 ending unassigned fund balance is \$15,163,683 which is 65.8% of the general fund operating expenditures.

CITY OF RIDGELAND, MISSISSIPPI

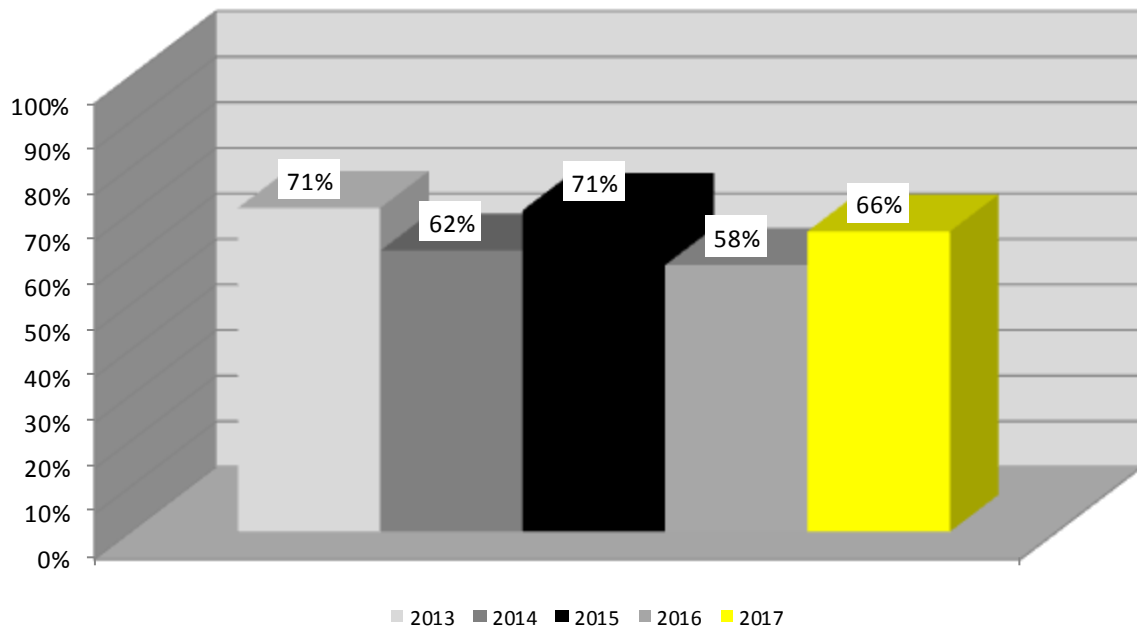
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Status of Fund Balance - continued:

Unassigned Fund Balance as a Percentage of Expenditures



Other Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$34,403,897, a decrease of \$895,538. \$13,918,163 or 40.5% of the fund balance is classified as unassigned, which represents the residual classification of fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes. The remaining fund balance of \$20,485,734 or 59.5% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. This year the City of Ridgeland had a positive \$15,163,638 unassigned fund balance in the general fund, which constitutes 44.1% of the total fund balance in the governmental funds. The Other Nonmajor Funds had a negative unassigned fund balance in the amount of \$1,245,520. Authoritative guidance indicates that if

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

General Government Functions - continued:

Other Governmental Funds - continued:

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

The increase in fund balance in the Debt Service Fund was \$204,306. The increase is attributed to property tax revenues exceeding debt service requirements. The Colony Park TIF Bond Debt Fund reported a decrease of \$50,282. The decrease is attributed to current year debt service requirements being slightly more than revenue. The City Center Fund reported an increase of \$42,675 which was the result of reduced capital outlay expenditures. The fund balance of Other Nonmajor Funds reported a decrease of \$288,542. The decrease is attributed to capital project expenditures exceeding revenue.

Proprietary Funds

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

Business-Type Activities

The Statement of Net Position for the years ended September 30, 2017 and **2016** are summarized in Table 4 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments.

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

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

(Table 4)
Condensed Statements of Net Position
Business-Type Activities
At September 30, 2017 and 2016

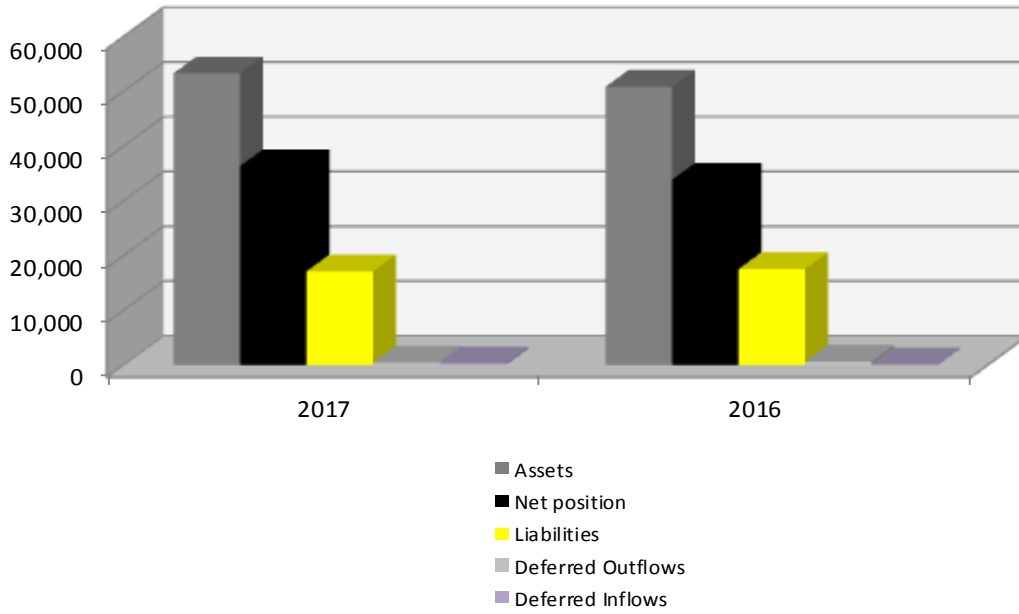
	2017	2016	Percentage Change
ASSETS:			
Current and other assets	\$ 11,368,348	9,488,613	19.8%
Capital assets	<u>41,867,310</u>	<u>41,300,033</u>	1.4%
Total assets	<u>53,235,658</u>	<u>50,788,646</u>	4.8%
Deferred outflows of resources:			
Deferred outflows related to pension	<u>439,515</u>	<u>619,576</u>	-29.1%
Total deferred outflows of resources	<u>439,515</u>	<u>619,576</u>	-29.1%
LIABILITIES:			
Current liabilities	2,834,702	2,360,315	20.1%
Noncurrent liabilities	<u>14,252,990</u>	<u>15,141,845</u>	-5.9%
Total liabilities	<u>17,087,692</u>	<u>17,502,160</u>	-2.4%
Deferred inflows of resources:			
Deferred inflows related to pension	<u>294,184</u>	<u>101,605</u>	189.5%
Total deferred inflows of resources	<u>294,184</u>	<u>101,605</u>	189.5%
NET POSITION:			
Net investment in capital assets	29,446,971	28,163,719	4.6%
Unrestricted	<u>6,846,326</u>	<u>5,640,738</u>	21.4%
Total net position	<u>\$ 36,293,297</u>	<u>33,804,457</u>	7.4%

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

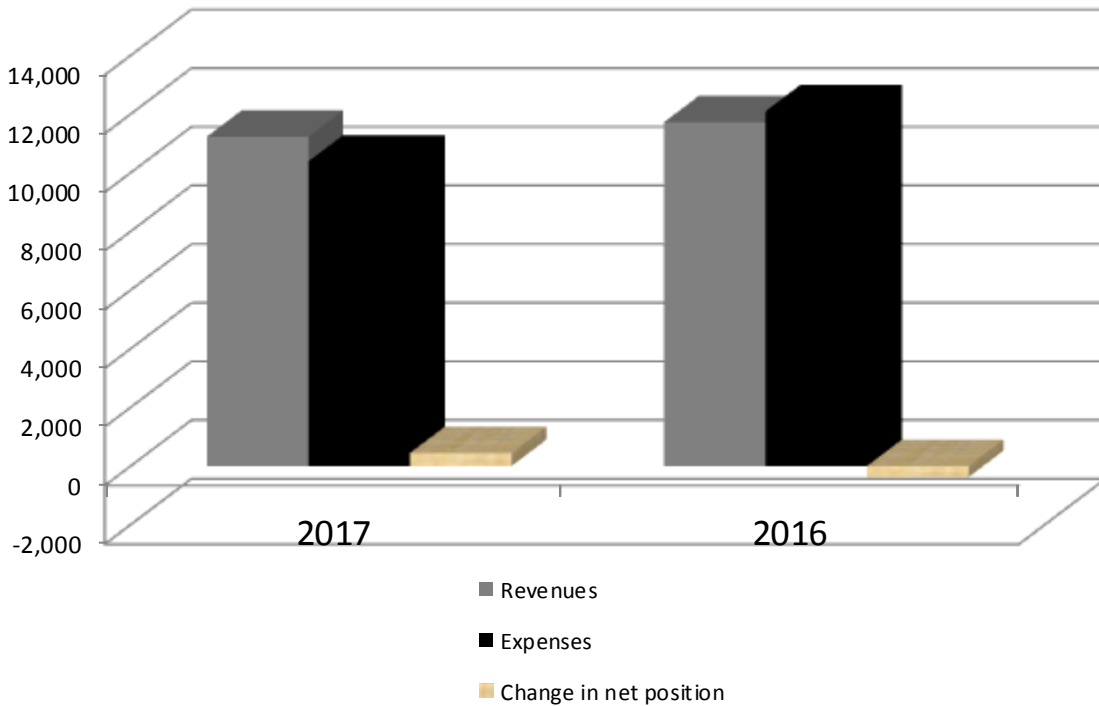
CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:



Below is a comparative analysis of the revenues and expenses of the government-wide statements Business-Type Activities column. The amounts are expressed in thousands.



CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

The Changes in Net Position for the years ended September 30, 2017 and **2016** are summarized in table 5 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustments.

**(Table 5)
Condensed Statements of Changes in Net Position
Business-Type Activities
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Percentage Change</u>
REVENUES:			
Program revenues:			
Charges for services	\$ 10,719,301	11,463,354	-6.5%
Capital grants and contributions	<u>459,729</u>	<u>93,428</u>	392.1%
Total program revenues	<u>11,179,030</u>	<u>11,556,782</u>	-3.3%
General revenues:			
Other	<u>48,948</u>	<u>161,166</u>	-69.6%
Total general revenues	<u>48,948</u>	<u>161,166</u>	-69.6%
Total revenues	<u>11,227,978</u>	<u>11,717,948</u>	-4.2%
EXPENSES:			
Public utility	9,031,240	10,781,335	-16.2%
Sanitation	<u>1,354,504</u>	<u>1,313,507</u>	3.1%
Total expenses	<u>10,385,744</u>	<u>12,094,842</u>	-14.1%
CHANGE IN NET POSITION BEFORE TRANSFERS	842,234	(376,894)	-323.5%
TRANSFERS	<u>(400,000)</u>	<u>-</u>	-100.0%
INCREASE (DECREASE) IN NET POSITION	442,234	(376,894)	-217.3%
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	33,804,457	34,181,351	-1.1%
PRIOR PERIOD ADJUSTMENTS	<u>2,046,606</u>	<u>-</u>	100.0%
NET POSITION AT BEGINNING OF YEAR, as restated	<u>35,851,063</u>	<u>34,181,351</u>	4.9%
NET POSITION AT END OF YEAR	\$ <u>36,293,297</u>	<u>33,804,457</u>	7.4%

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

Total revenues of the City’s business-type activities were \$11,227,978 and \$11,717,948 for the fiscal years ended September 30, 2017 and 2016, respectively. Total expenses including transfers for the City’s business-type activities were \$10,785,744 for 2017 and \$12,094,842 for 2016, resulting in an increase in net position of \$442,234 in 2017 and a decrease in net position of \$376,894 in 2016.

Public Utility Fund

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

	2017	2016
Operating revenues	\$ 6,806,565	6,924,368
Operating expenses	(6,846,917)	(7,152,829)
Operating loss	\$ (40,352)	(228,461)

East Madison County Regional Sewer Fund

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

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

	2017	2016
Operating revenues	\$ 2,367,647	3,116,221
Operating expenses	(1,765,240)	(3,187,175)
Operating income (loss)	\$ 602,407	(70,954)

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FINANCIAL ANALYSIS OF THE CITY - CONTINUED:

Business-Type Activities - continued:

Sanitation Fund

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

	<u>2017</u>	<u>2016</u>
Operating revenues	\$ 1,546,378	1,510,678
Operating expenses	<u>(1,354,504)</u>	<u>(1,313,507)</u>
Operating income	<u>\$ 191,874</u>	<u>197,171</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Original budget compared to final budget

The original general fund expenditure budget of \$25,335,482 was amended by \$651,777 to a final general fund expenditure budget of \$25,987,259. Major components of the amendment included:

- Expenditures for public safety capital outlay were increased \$124,860 for vehicles and equipment necessary for additional officers, \$39,187 for insurance proceeds used to replace damaged vehicles and equipment, and \$22,643 for equipment purchased with funds received from Homeland Security.
- Expenditures for public services other services and charges were increased \$129,690 for projects budgeted and expected to be completed in the prior year that were not completed until the current year.
- Expenditures for public services capital outlay were increased \$38,363 for insurance proceeds used to replace damaged equipment and \$79,664 for projects budgeted and expected to be completed in the prior year that were not completed until the current year.
- Transfers to capital project funds were increased by \$136,357 to provide funding for the required local match.

CITY OF RIDGELAND, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS - CONTINUED:

Final budget compared to actual results

Sales tax receipts were \$542,875 less than estimated as a result of conservative spending by consumers combined with an increase in the sales tax receivable at year end.

Fines and forfeitures receipts were \$242,599 less than estimated due in part to a decrease in the number of traffic and parking violations issued for the year.

Actual expenditures for the year were \$2,910,126 less than estimated. In general, the City has been proactive in limiting the amount of operating costs to the minimum necessary to provide essential services. The most significant differences in the final budget and actual occurred in the following areas:

- General government other services and charges were \$1,307,612 less than estimated resulting from a \$1,132,000 decrease in legal fees for Community Development, a \$60,000 decrease in liability insurance, and a \$30,000 decrease in election expenses.
- Public safety personnel services were \$298,818 less than estimated resulting from vacancies budgeted but not filled.
- Public safety other services and charges were \$232,863 less than estimated resulting from a \$100,541 decrease in equipment repair and maintenance, \$38,239 decrease in jail fees, \$37,902 decrease in utility expenditures, \$21,321 decrease in telephone expenditures and \$27,851 decrease in training expenditures.
- Public services other services and charges were \$334,903 less than estimated resulting from a \$129,860 decrease in utility expenditures for street lights and \$35,833 decrease in professional fees. Drainage projects were also budgeted that were either not completed or completed at a cost less than the amounts estimated which resulted in a decrease of \$149,250.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS

At September 30, 2017, the City's capital assets for governmental activities include non-depreciable assets consisting of land and construction in progress of \$132,267,359, and depreciable capital assets, net of accumulated depreciation of \$95,355,989 for a total of \$227,623,348 in capital assets as reported in the Governmental Activities column of the Statement of Net Position. The changes in capital assets are summarized in table 6 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustment.

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS - CONTINUED:

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

	September 30, <u>2017</u>	September 30, <u>2016</u>	Percentage <u>Change</u>
Land	\$ 117,361,482	117,361,482	0.0%
Construction in progress	14,905,877	13,880,191	7.4%
Buildings	9,566,208	9,874,184	-3.1%
Improvements other than buildings	5,369,990	5,718,861	-6.1%
Infrastructure	76,571,489	76,159,135	0.5%
Vehicles	2,406,043	2,088,502	15.2%
Furniture and equipment	1,292,335	1,216,353	6.2%
Leased property	<u>149,924</u>	<u>119,148</u>	25.8%
Total	\$ <u>227,623,348</u>	<u>226,417,856</u>	0.5%

At September 30, 2017, the City of Ridgeland had \$27,145,929 in outstanding General Obligation Bonds, including premiums on bonds issued, \$26,420,838 in outstanding Limited Obligation Bonds, including discounts on bonds issued, and \$6,899,114 in other Long-Term Debt, including compensated absences.

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

	September 30, <u>2017</u>	September 30, <u>2016</u>	Percentage <u>Change</u>
General obligation bonds	\$ 27,145,929	29,174,375	-7.0%
Limited obligation bonds	26,420,838	27,853,697	-5.1%
Loans and leases payable	6,066,489	6,759,749	-10.3%
Compensated absences	<u>832,625</u>	<u>850,900</u>	-2.1%
Total	\$ <u>60,465,881</u>	<u>64,638,721</u>	-6.5%

CITY OF RIDGELAND, MISSISSIPPI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS - CONTINUED:

At September 30, 2017, the City had over \$41 million invested in a broad range of capital assets related to business-type activities. See Table 8 below. Prior year amounts have not been restated to reflect the effect of the prior period adjustment.

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

	September 30, <u>2017</u>	September 30, <u>2016</u>	Percentage <u>Change</u>
Land	\$ 3,340,437	3,325,437	0.5%
Construction in progress	279,392	729,498	-61.7%
Buildings	184,721	216,930	-14.8%
Utility Systems	37,684,399	36,690,872	2.7%
Vehicles	123,921	113,084	9.6%
Machinery and equipment	<u>254,440</u>	<u>224,212</u>	13.5%
Total	\$ <u>41,867,310</u>	<u>41,300,033</u>	1.4%

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

At September 30, 2017, the City of Ridgeland had \$7,718,632 in outstanding General Obligation Bonds, including premiums on bonds issued, and \$4,791,801 in other Long-Term Debt, including compensated absences.

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

	September 30, <u>2017</u>	September 30, <u>2016</u>	Percentage <u>Change</u>
General obligation bonds	\$ 7,718,632	8,455,794	-8.7%
Other long-term debt	4,701,707	4,680,520	0.5%
Compensated absences	<u>90,094</u>	<u>84,192</u>	7.0%
Total	\$ <u>12,510,433</u>	<u>13,220,506</u>	-5.4%

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

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,095,985	5,326,127	11,422,112
Investments	6,313,678	3,064,542	9,378,220
Receivables (net, where applicable, of allowance for uncollectibles):			
Accounts	2,138,441	646,297	2,784,738
Grants	166,163	-	166,163
Taxes	10,379,315	-	10,379,315
Other governments	8,058,667	-	8,058,667
Interest	77,084	11,118	88,202
Internal balances	(37,281)	37,281	-
Inventories	-	159,214	159,214
Prepays	148,129	1,419,613	1,567,742
Restricted assets:			
Cash and cash equivalents	9,312,939	-	9,312,939
Investments	11,362,065	704,156	12,066,221
Capital assets:			
Non-depreciable capital assets	132,267,359	3,619,829	135,887,188
Depreciable capital assets, net	<u>95,355,989</u>	<u>38,247,481</u>	<u>133,603,470</u>
Total assets	<u>281,638,533</u>	<u>53,235,658</u>	<u>334,874,191</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	<u>4,194,830</u>	<u>439,515</u>	<u>4,634,345</u>
Total deferred outflows of resources	\$ <u>4,194,830</u>	<u>439,515</u>	<u>4,634,345</u>

The accompanying notes are an integral part of this statement.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 979,562	607,145	1,586,707
Accrued liabilities	269,326	371,141	640,467
Claims payable	94,473	-	94,473
Accrued interest payable	986,225	72,581	1,058,806
Customer deposits	-	704,156	704,156
Cash bonds and seized cash	266,681	-	266,681
Due to other governments	706,912	-	706,912
Unearned revenue	38,927	6,537	45,464
Noncurrent liabilities:			
Due within one year:			
Compensated absences	41,631	4,504	46,135
Loans and leases payable	916,903	322,685	1,239,588
Bonds payable	3,479,335	745,953	4,225,288
Due in more than one year:			
Compensated absences	790,994	85,590	876,584
Loans and leases payable	5,149,586	4,379,022	9,528,608
Bonds payable	50,087,432	6,972,679	57,060,111
Net pension liability	<u>26,873,683</u>	<u>2,815,699</u>	<u>29,689,382</u>
Total liabilities	<u>90,681,670</u>	<u>17,087,692</u>	<u>107,769,362</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	7,978,637	-	7,978,637
Deferred inflows related to pension	<u>2,807,767</u>	<u>294,184</u>	<u>3,101,951</u>
Total deferred inflows of resources	<u>10,786,404</u>	<u>294,184</u>	<u>11,080,588</u>
<u>NET POSITION</u>			
Net investment in capital assets	167,990,092	29,446,971	197,437,063
Restricted for:			
Court services	734,228	-	734,228
Public safety	165,549	-	165,549
Debt service	13,534,404	-	13,534,404
Capital projects	12,783,864	-	12,783,864
Unrestricted	<u>(10,842,848)</u>	<u>6,846,326</u>	<u>(3,996,522)</u>
Total net position	<u>\$ 184,365,289</u>	<u>36,293,297</u>	<u>220,658,586</u>

CITY OF RIDGELAND, MISSISSIPPI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Functions/Programs:						
Governmental activities:						
General government	\$ 4,748,632	975,806	-	-	(3,772,826)	-
Public safety	12,314,511	1,650,094	203,572	164,584	(10,296,261)	-
Court services	216,418	-	-	-	(216,418)	-
Public services	7,581,272	22,752	-	314,107	(7,244,413)	-
Health and welfare	86,097	-	-	-	(86,097)	-
Culture and recreation	2,737,577	224,618	-	-	(2,512,959)	-
Interest on long-term debt	2,495,002	-	-	-	(2,495,002)	-
Total governmental activities	<u>30,179,509</u>	<u>2,873,270</u>	<u>203,572</u>	<u>478,691</u>	<u>(26,623,976)</u>	<u>-</u>
Business-type activities:						
Sanitation	1,354,504	1,546,378	-	-	-	191,874
Public utility	9,031,240	9,172,923	-	459,729	-	601,412
Total business-type activities	<u>10,385,744</u>	<u>10,719,301</u>	<u>-</u>	<u>459,729</u>	<u>-</u>	<u>793,286</u>
Total government	<u>\$ 40,565,253</u>	<u>13,592,571</u>	<u>203,572</u>	<u>938,420</u>	<u>(26,623,976)</u>	<u>793,286</u>
General revenues:						
Taxes:						
Ad valorem taxes					9,880,924	-
Sales tax					13,220,505	-
Utility in lieu of tax					360,242	-
Franchise fees					1,167,115	-
General intergovernmental revenue					390,184	-
Investment earnings					333,426	77,162
Net unrealized loss on investments					(108,360)	(28,577)
Loss on disposal of capital assets					(36,384)	(926)
Contributions not restricted to specific programs					32,431	-
Other					177,132	1,289
Interfund transfers					400,000	(400,000)
Total general revenues and transfers					<u>25,817,215</u>	<u>(351,052)</u>
Change in net position					(806,761)	442,234
Net position at beginning of year, as previously reported					182,804,226	33,804,457
Prior period adjustments					2,367,824	2,046,606
Net position at beginning of year, as restated					<u>185,172,050</u>	<u>35,851,063</u>
Net position at end of year					<u>184,365,289</u>	<u>36,293,297</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund	City Center Fund	Other Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,054,592	1,417,817	4,621,513	186,627	1,991,022	15,271,571
Investments	6,313,678	-	-	11,362,065	-	17,675,743
Receivables (net of allowance for uncollectibles, where applicable):						
Accounts	1,430,929	-	-	600	-	1,431,529
Grants	37,415	-	-	-	128,748	166,163
Taxes	6,351,262	3,313,074	560,904	-	154,075	10,379,315
Interest	29,400	-	-	47,684	-	77,084
Other governments	-	-	7,787,994	-	270,673	8,058,667
Due from other funds	2,578,192	-	-	-	-	2,578,192
Prepays	148,129	-	-	-	-	148,129
 Total assets	 \$ <u>23,943,597</u>	 <u>4,730,891</u>	 <u>12,970,411</u>	 <u>11,596,976</u>	 <u>2,544,518</u>	 <u>55,786,393</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 853,187	2,000	-	-	124,375	979,562
Accrued liabilities	269,326	-	-	-	-	269,326
Cash bonds and seized cash	266,681	-	-	-	-	266,681
Due to other funds	-	-	668,310	244,020	1,729,037	2,641,367
Unearned revenue	38,927	-	-	-	-	38,927
Total liabilities	<u>1,428,121</u>	<u>2,000</u>	<u>668,310</u>	<u>244,020</u>	<u>1,853,412</u>	<u>4,195,863</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	4,125,073	3,206,357	560,904	-	86,303	7,978,637
Unavailable revenue - court fines	1,149,329	-	-	-	-	1,149,329
Unavailable revenue - Madison county	-	-	7,787,994	-	270,673	8,058,667
Total deferred inflows of resources	<u>5,274,402</u>	<u>3,206,357</u>	<u>8,348,898</u>	<u>-</u>	<u>356,976</u>	<u>17,186,633</u>
Fund Balances:						
Nonspendable:						
Prepaid items	148,129	-	-	-	-	148,129
Restricted for:						
Court services	734,228	-	-	-	-	734,228
Public safety	16,807	-	-	-	148,742	165,549
Debt service	-	1,522,534	3,953,203	-	-	5,475,737
Capital projects	-	-	-	11,352,956	1,430,908	12,783,864
Assigned to:						
Fiscal year 2018 budget appropriations	1,178,227	-	-	-	-	1,178,227
Unassigned	<u>15,163,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,245,520)</u>	<u>13,918,163</u>
Total fund balances	<u>17,241,074</u>	<u>1,522,534</u>	<u>3,953,203</u>	<u>11,352,956</u>	<u>334,130</u>	<u>34,403,897</u>
 Total liabilities, deferred inflows of resources, and fund balances	 \$ <u>23,943,597</u>	 <u>4,730,891</u>	 <u>12,970,411</u>	 <u>11,596,976</u>	 <u>2,544,518</u>	 <u>55,786,393</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017**

Total fund balances - governmental funds		\$ 34,403,897
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in the operation of governmental funds are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	327,329,070	
Less accumulated depreciation	<u>(99,705,722)</u>	227,623,348
Fines revenue that was earned in the current period but not received within 60 days is not recognized in the fund statement but recognized under full accrual.		
		1,149,329
Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds and recognized as revenue in the Statement of Activities.		
		8,058,667
An internal service fund is used by management to charge the assets and liabilities of the internal service revenue fund are included in governmental activities in the Statement of Net Position.		
		68,774
Some liabilities, including net pension obligations, are not due and payable in the current period and therefore, are not reported in the funds:		
Net pension liability		(26,873,683)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pension	4,194,830	
Deferred inflows of resources related to pension	<u>(2,807,767)</u>	1,387,063
Long-term liabilities of governmental funds, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. These long-term liabilities consist of:		
Bond obligations	(53,566,767)	
Loan and lease obligations	(6,066,489)	
Accrued interest payable	(986,225)	
Compensated absences	<u>(832,625)</u>	<u>(61,452,106)</u>
Net position of governmental activities		\$ <u>184,365,289</u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General Fund	Debt Service Fund	Colony Park TIF Bond Debt Fund	City Center Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Sales taxes	\$ 11,395,154	-	1,420,429	-	404,922	13,220,505
Current year ad valorem taxes	5,575,502	3,680,004	546,011	-	65,608	9,867,125
Prior year ad valorem taxes	7,764	6,035	-	-	-	13,799
Special assessments	-	-	-	-	48,281	48,281
Franchise fees	1,167,115	-	-	-	-	1,167,115
Licenses and permits	399,184	-	-	-	-	399,184
Intergovernmental	912,887	18,202	804,912	-	501,808	2,237,809
Charges for services	815,290	-	-	-	-	815,290
Fines and forfeitures	1,679,288	-	-	-	27,340	1,706,628
Contributions	32,431	-	-	-	-	32,431
Interest earned	189,669	6,775	11,753	122,137	2,002	332,336
Net unrealized loss on investments	(66,826)	-	-	(41,534)	-	(108,360)
Miscellaneous	175,230	1,302	-	600	-	177,132
Total revenues	<u>22,282,688</u>	<u>3,712,318</u>	<u>2,783,105</u>	<u>81,203</u>	<u>1,049,961</u>	<u>29,909,275</u>
EXPENDITURES:						
General government	4,243,114	-	-	-	-	4,243,114
Public safety	10,225,267	-	-	-	-	10,225,267
Court services	190,579	-	-	-	-	190,579
Public service	4,423,107	-	-	-	-	4,423,107
Health and welfare	86,097	-	-	-	-	86,097
Culture and recreation	2,194,921	-	-	-	-	2,194,921
Capital outlay	1,615,169	-	-	38,528	1,435,739	3,089,436
Debt service:						
Principal	55,349	2,331,559	1,390,000	-	395,000	4,171,908
Interest and other fiscal charges	4,533	1,176,462	1,443,387	-	51,080	2,675,462
Total expenditures	<u>23,038,136</u>	<u>3,508,021</u>	<u>2,833,387</u>	<u>38,528</u>	<u>1,881,819</u>	<u>31,299,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(755,448)</u>	<u>204,297</u>	<u>(50,282)</u>	<u>42,675</u>	<u>(831,858)</u>	<u>(1,390,616)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from capital lease	\$ 67,712	-	-	-	-	67,712
Sale of capital assets	13,153	-	-	-	14,213	27,366
Transfers in	400,000	9	-	-	529,112	929,121
Transfers out	(529,112)	-	-	-	(9)	(529,121)
Total other financing sources (uses)	<u>(48,247)</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>543,316</u>	<u>495,078</u>
NET CHANGE IN FUND BALANCES	(803,695)	204,306	(50,282)	42,675	(288,542)	(895,538)
Fund balances at beginning of year, as previously reported	16,594,512	1,318,228	4,665,971	11,310,281	1,410,443	35,299,435
Prior period adjustments	1,450,257	-	(662,486)	-	(787,771)	-
Fund balance at beginning of year, as restated	<u>18,044,769</u>	<u>1,318,228</u>	<u>4,003,485</u>	<u>11,310,281</u>	<u>622,672</u>	<u>35,299,435</u>
Fund balances at end of year	\$ <u>17,241,074</u>	<u>1,522,534</u>	<u>3,953,203</u>	<u>11,352,956</u>	<u>334,130</u>	<u>34,403,897</u>

CITY OF RIDGELAND, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - total governmental funds		\$	(895,538)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures.			
However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:			
Expenditures for capital assets	3,702,870		
Less current year depreciation expense	<u>(4,801,452)</u>		(1,098,582)
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			(63,750)
Revenues in the funds that provide current financial resources but have been included in the Statement of Activities in prior fiscal years.			(901,235)
The amortization of bond premiums and discounts is reported in the fund financial statements when debt is issued but amortized in the Statement of Activities.			91,304
Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year proceeds were received from:			
Capital lease obligations issued:			(67,712)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			4,171,908
The Statement of Activities reports pension expense and other activity related to the net pension liability:			
Contributions made after the measurement date	437,352		
Pension expense	<u>(2,417,503)</u>	\$	(1,980,151)
An internal service fund is used by management to charge the cost of health and dental insurance to individual funds. The net revenue (expense) is reported with governmental activities.			(170,436)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:			
Change in accrued interest payable	89,156		
Change in compensated absences	<u>18,275</u>		<u>107,431</u>
Change in net position of governmental activities		\$	<u><u>(806,761)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2017**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County		Totals	Internal Service Fund
		Regional Sewer Fund	Sanitation Fund		
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 4,431,081	837,568	57,478	5,326,127	137,353
Investments	3,064,542	-	-	3,064,542	-
Receivable (net of allowances for uncollectibles, where applicable):					
Accounts	521,682	-	124,615	646,297	-
Interest	11,118	-	-	11,118	-
Due from other funds	63,175	-	-	63,175	-
Inventories	159,214	-	-	159,214	-
Prepays	13,749	1,405,864	-	1,419,613	-
Total current assets	<u>8,264,561</u>	<u>2,243,432</u>	<u>182,093</u>	<u>10,690,086</u>	<u>137,353</u>
Restricted assets:					
Investments	<u>704,156</u>	-	-	<u>704,156</u>	-
Total restricted assets	<u>704,156</u>	-	-	<u>704,156</u>	-
Property, plant and equipment:					
Land	3,340,437	-	-	3,340,437	-
Building	782,034	-	-	782,034	-
Equipment	1,280,818	31,889	-	1,312,707	-
Motor vehicle	1,094,101	67,475	-	1,161,576	-
Infrastructure	<u>52,219,623</u>	<u>6,392,452</u>	-	<u>58,612,075</u>	-
	58,717,013	6,491,816	-	65,208,829	-
Less: accumulated depreciation	<u>(20,881,844)</u>	<u>(2,739,067)</u>	-	<u>(23,620,911)</u>	-
	37,835,169	3,752,749	-	41,587,918	-
Construction in progress	<u>279,392</u>	-	-	<u>279,392</u>	-
Net property, plant and equipment	<u>38,114,561</u>	<u>3,752,749</u>	-	<u>41,867,310</u>	-
Total assets	<u>47,083,278</u>	<u>5,996,181</u>	<u>182,093</u>	<u>53,261,552</u>	<u>137,353</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows related to pension	<u>415,621</u>	<u>23,894</u>	-	<u>439,515</u>	-
Total deferred outflows of resources	\$ <u>415,621</u>	<u>23,894</u>	-	<u>439,515</u>	-

The accompanying notes are an integral part of this statement.

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	Internal Service Fund
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 339,630	153,999	113,516	607,145	-
Claims payable	-	-	-	-	94,474
Accrued liabilities	369,326	1,815	-	371,141	-
Accrued interest payable	72,581	-	-	72,581	-
Unearned revenue	-	6,537	-	6,537	-
Compensated absences - current	4,504	-	-	4,504	-
Notes payable - current	322,685	-	-	322,685	-
Bonds payable - current	<u>745,953</u>	<u>-</u>	<u>-</u>	<u>745,953</u>	<u>-</u>
Total current liabilities	<u>1,854,679</u>	<u>162,351</u>	<u>113,516</u>	<u>2,130,546</u>	<u>94,474</u>
Current liabilities payable from restricted assets:					
Customer deposits	<u>704,156</u>	<u>-</u>	<u>-</u>	<u>704,156</u>	<u>-</u>
Long-term liabilities:					
Compensated absences	85,578	12	-	85,590	-
Notes payable - net of current portion	4,379,022	-	-	4,379,022	-
Bonds payable - net of current portion	6,972,679	-	-	6,972,679	-
Net pension liability	<u>2,662,625</u>	<u>153,074</u>	<u>-</u>	<u>2,815,699</u>	<u>-</u>
Total non-current liabilities	<u>14,099,904</u>	<u>153,086</u>	<u>-</u>	<u>14,252,990</u>	<u>-</u>
Total liabilities	<u>16,658,739</u>	<u>315,437</u>	<u>113,516</u>	<u>17,087,692</u>	<u>94,474</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows related to pension	<u>278,191</u>	<u>15,993</u>	<u>-</u>	<u>294,184</u>	<u>-</u>
Total deferred inflows of resources	<u>278,191</u>	<u>15,993</u>	<u>-</u>	<u>294,184</u>	<u>-</u>
<u>NET POSITION</u>					
Net investment in capital assets	25,694,222	3,752,749	-	29,446,971	-
Unrestricted	<u>4,867,747</u>	<u>1,935,896</u>	<u>68,577</u>	<u>6,872,220</u>	<u>42,879</u>
Total net position	<u>\$ 30,561,969</u>	<u>5,688,645</u>	<u>68,577</u>	<u>36,319,191</u>	<u>42,879</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(25,894)</u>	
Net position of business-type activities				<u>\$ 36,293,297</u>	

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Business-Type Activities Enterprise Funds				
	Public Utility Fund	East Madison County		Sanitation Fund	Internal Service Fund
		Regional Sewer Fund			
				Totals	
OPERATING REVENUES:					
Water sales	\$ 3,351,153	-	-	3,351,153	-
Sewer changes	3,166,049	2,367,647	-	5,533,696	-
Tap fees and connection fees	79,411	-	-	79,411	-
Late fees	153,959	-	-	153,959	-
Tamper fees	697	-	-	697	-
Convenience fees	46,378	-	-	46,378	-
Billing contracts	7,629	-	-	7,629	-
Miscellaneous income	1,289	-	-	1,289	-
Sanitation	-	-	1,546,378	1,546,378	-
Health insurance contributions	-	-	-	-	1,564,261
Total operating revenues	<u>6,806,565</u>	<u>2,367,647</u>	<u>1,546,378</u>	<u>10,720,590</u>	<u>1,564,261</u>
OPERATING EXPENSES:					
Personal services	1,570,588	147,491	-	1,718,079	-
Supplies	391,132	5,412	-	396,544	-
Other service charges	2,976,310	1,400,249	1,354,504	5,731,063	-
Depreciation	1,908,887	212,088	-	2,120,975	-
Claims expense	-	-	-	-	1,755,263
Total operating expenses	<u>6,846,917</u>	<u>1,765,240</u>	<u>1,354,504</u>	<u>9,966,661</u>	<u>1,755,263</u>
OPERATING INCOME (LOSS)	<u>(40,352)</u>	<u>602,407</u>	<u>191,874</u>	<u>753,929</u>	<u>(191,002)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest income	74,671	2,380	111	77,162	1,090
Net unrealized loss on investment	(28,577)	-	-	(28,577)	-
Loss on disposal of assets	(926)	-	-	(926)	-
Interest and fiscal charges	(399,608)	-	-	(399,608)	-
Total nonoperating revenues (expenses)	<u>(354,440)</u>	<u>2,380</u>	<u>111</u>	<u>(351,949)</u>	<u>1,090</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(394,792)</u>	<u>604,787</u>	<u>191,985</u>	<u>401,980</u>	<u>(189,912)</u>
Capital contributions	459,729	-	-	459,729	-
Transfers out	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(335,063)</u>	<u>604,787</u>	<u>191,985</u>	<u>461,709</u>	<u>(189,912)</u>
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	29,627,952	4,306,332	(123,408)	33,810,876	232,791
PRIOR PERIOD ADJUSTMENTS	<u>1,269,080</u>	<u>777,526</u>	<u>-</u>	<u>2,046,606</u>	<u>-</u>
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>30,897,032</u>	<u>5,083,858</u>	<u>(123,408)</u>	<u>35,857,482</u>	<u>232,791</u>
NET POSITION AT END OF YEAR	\$ <u>30,561,969</u>	<u>5,688,645</u>	<u>68,577</u>	<u>36,319,191</u>	<u>42,879</u>
				\$ 461,709	
				(19,475)	
				\$ <u>442,234</u>	

The accompanying notes are an integral part of this statement.

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Business-Type Activities Enterprise Funds				Internal Service Fund
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 6,959,899	2,555,060	1,543,729	11,058,688	-
Health insurance contributions received	-	-	-	-	1,564,261
Cash paid to suppliers and employees	(4,270,913)	(2,229,186)	(1,353,035)	(7,853,134)	(1,740,973)
Net cash provided by (used in) operating activities	<u>2,688,986</u>	<u>325,874</u>	<u>190,694</u>	<u>3,205,554</u>	<u>(176,712)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from bonds and notes	353,635	-	-	353,635	-
Principal paid on bonds and notes	(1,047,448)	-	-	(1,047,448)	-
Increase in amount due from other funds	(107,044)	-	(133,327)	(240,371)	-
Transfers out	(400,000)	-	-	(400,000)	-
Interest paid on bonds and notes	(381,752)	-	-	(381,752)	-
Acquisition of capital assets	(1,064,455)	(85,138)	-	(1,149,593)	-
Proceeds from sale of capital assets	53	-	-	53	-
Capital contributions	<u>315,277</u>	<u>-</u>	<u>-</u>	<u>315,277</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(2,331,734)</u>	<u>(85,138)</u>	<u>(133,327)</u>	<u>(2,550,199)</u>	<u>-</u>
Purchase of investments - net	(151,040)	-	-	(151,040)	-
Earnings on invested proceeds	<u>74,776</u>	<u>2,380</u>	<u>111</u>	<u>77,267</u>	<u>1,090</u>
Net cash provided by (used in) investing activities	<u>(76,264)</u>	<u>2,380</u>	<u>111</u>	<u>(73,773)</u>	<u>1,090</u>
Net increase (decrease) in cash and cash equivalents	280,988	243,116	57,478	581,582	(175,622)
Cash and cash equivalents at beginning of year	<u>4,150,093</u>	<u>594,452</u>	<u>-</u>	<u>4,744,545</u>	<u>312,975</u>
Cash and cash equivalents at end of year	\$ <u>4,431,081</u>	<u>837,568</u>	<u>57,478</u>	<u>5,326,127</u>	<u>137,353</u>

CITY OF RIDGELAND, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Business-Type Activities				
	Enterprise Funds				
	Public Utility Fund	East Madison County Regional Sewer Fund	Sanitation Enterprise Fund	Totals	Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES:					
Operating income (loss)	\$ (40,352)	602,407	191,874	753,929	(191,002)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	1,908,887	212,088	-	2,120,975	-
(Increase) decrease in:					
Accounts receivable	108,361	180,876	(2,649)	286,588	-
Inventories	(4,982)	-	-	(4,982)	-
Prepays	(1,071)	(628,338)	-	(629,409)	-
Deferred outflows related to pension	183,434	(3,373)	-	180,061	-
Increase (decrease) in:					
Accounts payable	194,633	(111,723)	1,469	84,379	14,290
Accrued compensated absences	294	-	-	294	-
Accrued liabilities	339,267	776	-	340,043	-
Unearned revenue	-	6,537	-	6,537	-
Customer deposits	44,973	-	-	44,973	-
Compensated absences - long-term	5,596	12	-	5,608	-
Net pension liability	(230,005)	53,984	-	(176,021)	-
Deferred inflows related to pension	179,951	12,628	-	192,579	-
Total adjustments	<u>2,729,338</u>	<u>(276,533)</u>	<u>(1,180)</u>	<u>2,451,625</u>	<u>14,290</u>
Net cash provided by (used in) operating activities	\$ <u>2,688,986</u>	<u>325,874</u>	<u>190,694</u>	<u>3,205,554</u>	<u>(176,712)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Contribution of capital assets	\$ <u>268,683</u>	<u>-</u>	<u>-</u>	<u>268,683</u>	<u>-</u>
Amortization of bond premium included in interest expense	\$ <u>(22,162)</u>	<u>-</u>	<u>-</u>	<u>(22,162)</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity

Component Units

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

Related Organizations

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

<u>Related Organization</u>	<u>Brief Description of Activities and Relationship to the City</u>
Ridgeland Tourism Commission	Promotes tourism for the City of Ridgeland. All members are appointed by the Board of Aldermen. The Commission reports independently.

B. Government-Wide and Fund Financial Statements

Basic financial statements consist of the following:

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

B. Government-Wide and Fund Financial Statements - continued:

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned or, for property tax revenues, in the period in which levied. Expenses are recorded when a liability is incurred regardless of the timing and related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available. Revenues are considered to be available when

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

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

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

Additionally, the City reports the following fund types:

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

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

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

D. Cash and Other Deposits and Cash Equivalents

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

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

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

E. Investments

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

F. Receivables

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

G. Inventories

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

H. Prepaid Items

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

I. Deferred Outflows/Inflows of Resources

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

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

J. Budgets and Budgetary Accounting

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

J. Budgets and Budgetary Accounting - continued:

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

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

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

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

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

K. Capital Assets

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

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are reported at acquisition value.

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

K. Capital Assets - continued:

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

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

Capital assets thresholds are as follows:

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

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

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

L. Unearned Revenue and Deferred Inflows of Resources

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

M. Compensated Absences

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

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

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

N. Encumbrances

An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. All encumbrances lapse at year-end; accordingly, no encumbrances were outstanding at September 30, 2017.

O. Net Position and Fund Balances

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

O. Net Position and Fund Balances - continued:

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

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

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

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

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

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

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

P. Restricted Assets

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

Q. Capitalization of Interest

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

R. Pensions

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

S. Long-Term Liabilities

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

T. Use of Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Cash and investments are comprised of the following at September 30, 2017.

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities:					
General fund	\$ 5,958,632	6,313,678	1,095,960	-	13,368,270
Debt service fund	-	-	1,417,817	-	1,417,817
Colony park TIF bond debt fund	-	-	4,621,513	-	4,621,513
City center fund	-	-	186,627	11,362,065	11,548,692
Nonmajor governmental funds	-	-	1,991,022	-	1,991,022
Internal service fund	137,353	-	-	-	137,353
Total governmental activities	<u>6,095,985</u>	<u>6,313,678</u>	<u>9,312,939</u>	<u>11,362,065</u>	<u>33,084,667</u>
Business-type activities:					
Public utility enterprise fund	4,431,081	3,064,542	-	704,156	8,199,779
East Madison county regional sewer fund	837,568	-	-	-	837,568
Sanitation fund	57,478	-	-	-	57,478
Total business-type activities	<u>5,326,127</u>	<u>3,064,542</u>	<u>-</u>	<u>704,156</u>	<u>9,094,825</u>
Government-wide total	<u>\$ 11,422,112</u>	<u>9,378,220</u>	<u>9,312,939</u>	<u>12,066,221</u>	<u>42,179,492</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Deposits

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the City's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits at September 30, 2017 are summarized as follows:

	<u>Reported Amount</u>	<u>Bank Balance</u>
Cash	\$ <u>20,735,051</u>	<u>21,233,234</u>
Total deposits	\$ <u><u>20,735,051</u></u>	<u><u>21,233,234</u></u>

The difference of \$498,183 was principally due to outstanding checks. Of the bank balance, \$750,000 was covered by Federal Depository Insurance.

Custodial Credit Risk - Deposits - Custodial risk is defined as the risk that, in the event of a financial institution's failure, the City's deposits may not be returned to it. As of September 30, 2017, \$20,483,234 of the City's bank balance of \$21,233,234 was exposed to custodial credit risk as follows:

Guaranty Pool	\$ <u>20,483,234</u>
Total	\$ <u><u>20,483,234</u></u>

Investments

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

Interest Rate Risk. Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy is limited to complying with the

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Investments - continued:

State's investment statutes. The State law has not addressed interest rate risk. The City uses the Specific Identification method to disclose interest-income rate risk. Under this method, the notes provide an actual list of the maturities for different individual investments.

Concentration of Credit Risk. Disclosures of investments held by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2017, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Ratings</u>	<u>Percentage of Investments</u>	<u>Interest Rates</u>
U.S. Treasury Bills	\$ 848,685	NR	3.96%	
U.S. Treasury Notes	248,868	NR	1.16%	1.00%
Federal Farm Credit Bank	199,394	AA+	0.93%	2.30%
Federal Home Loan Mortgage Corporation (FHLMC)	6,425,274	AA+	29.96%	1.10-1.25%
Federal Home Loan Bank	996,810	AA+	4.65%	1.22%
Federal National Mortgage Association (FNMA)	2,738,437	AA+	12.77%	1.75-1.80%
Governmental National Mortgage Association (GNMA)	4,149,462	NR	19.35%	1.54-4.00%
State of Mississippi Tax Notes	3,706,217	AA	17.28%	1.37-4.43%
Mississippi Development Bank Tax Notes	597,779	AA	2.79%	3.00%
Private Export Funding Corporation (PEFCO)	269,441	AAA	1.25%	2.25%
Small Business Administration	1,164,008	NR	5.43%	2.78-2.83%
Pearl MS Urban Renewal Rev.	100,066	NR	0.47%	5.60%
Total investments	\$ <u>21,444,441</u>		<u>100.00%</u>	

Investment Maturities in Years:

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. Treasury Bills	\$ 848,685	-	-	-
U.S. Treasury Notes	-	248,868	-	-
Federal Farm Credit Bank	-	199,394	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	999,890	2,978,330	2,447,054	-
Federal Home Loan Bank	-	996,810	-	-
Federal National Mortgage Association (FNMA)	-	2,738,437	-	-
Governmental National Mortgage Association (GNMA)	-	-	-	4,149,462
State of Mississippi Tax Notes	3,628,984	77,233	-	-
Mississippi Development Bank Tax Notes	-	597,779	-	-
Private Export Funding Corporation (PEFCO)	269,441	-	-	-
Small Business Administration	-	-	703,474	460,534
Pearl MS Urban Renewal Rev.	-	-	100,066	-
Total investments	\$ <u>5,747,000</u>	<u>7,836,851</u>	<u>3,250,594</u>	<u>4,609,996</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2 - CASH AND INVESTMENTS - CONTINUED:

Investments - continued:

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of a financial institution's failure, the City will not be able to recover the value of its investments. The City does not have a formal investment policy that addresses custodial credit risk. As of September 30, 2017, \$-0- of the City's investment balance was insured and was exposed to custodial credit risk as follows:

Uninsured and collateralized by pledging department not in City's name	\$ <u>21,444,441</u>
Total	\$ <u><u>21,444,441</u></u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lower priority to unobservable inputs (Level 3 measurements).

The City has the following recurring fair value measurements as of September 30, 2017:

- Mortgage Backed Securities of \$396,121 are valued using quoted market prices (Level 2 inputs)
- Collateralized Mortgage Obligations of \$4,917,349 are valued using quoted market prices (Level 2 inputs)
- Municipal Obligations of \$4,404,062 are valued using quoted market prices (Level 2 inputs)
- Corporate Bonds of \$269,441 are valued using quoted market prices (Level 2 inputs)
- US Government Obligations of \$10,608,783 are valued using quoted market prices (Level 2 inputs)
- US Treasury Bills of \$848,685 are valued using quoted market prices (Level 2 inputs)

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 - RECEIVABLES

Receivables at September 30, 2017, consisted of the following:

	<u>Accounts</u>	<u>Grants</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Total</u>
Governmental activities:						
General fund	\$ 5,410,263	37,415	6,351,262	-	29,400	11,828,340
Debt service fund	-	-	3,313,074	-	-	3,313,074
Colony Park TIF bond debt fund	-	-	560,904	7,787,994	-	8,348,898
City center fund	600	-	-	-	47,684	48,284
Nonmajor governmental funds	<u>-</u>	<u>128,748</u>	<u>154,075</u>	<u>270,673</u>	<u>-</u>	<u>553,496</u>
Gross receivables	5,410,863	166,163	10,379,315	8,058,667	77,084	24,092,092
Less: Allowance for uncollectible accounts	<u>(3,272,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,272,422)</u>
Total governmental activities	<u>2,138,441</u>	<u>166,163</u>	<u>10,379,315</u>	<u>8,058,667</u>	<u>77,084</u>	<u>20,819,670</u>
Business-type activities:						
Public utility enterprise fund	895,038	-	-	-	11,118	906,156
East Madison County regional sewer fund	-	-	-	-	-	-
Sanitation fund	<u>204,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,854</u>
Gross receivables	1,099,892	-	-	-	11,118	1,111,010
Less: Allowance for uncollectible accounts	<u>(453,595)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(453,595)</u>
Total business-type activities	<u>646,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,118</u>	<u>657,415</u>
Total government-wide	<u>\$ 2,784,738</u>	<u>166,163</u>	<u>10,379,315</u>	<u>8,058,667</u>	<u>88,202</u>	<u>21,477,085</u>

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at September 30, 2017 were as follows:

	Madison <u>County, MS</u>
Colony Park Tax Increment Financing Bond	\$ 7,787,994
County Line Taxable Notes	<u>270,673</u>
	\$ <u>8,058,667</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 5 - PROPERTY TAXES

Property taxes for fiscal year 2017 were levied in September 2016 on the assessed valuation of property located in the City of Ridgeland, Mississippi as of the preceding January 1, the lien date. Revenues from property taxes are recognized in the fiscal year for which property taxes are levied. The financial statements reflect the accrual of the estimated fiscal year 2018 property taxes levied in September 2017. The City has recorded deferred inflows for the estimated fiscal year 2018 real and personal property taxes as of September 30, 2017.

The City levies property taxes annually based upon assessed valuations. Real, personal property, public utility, automobile ad valorem taxes and certain road taxes are collected by the tax collector of Madison County and are disbursed to the City accordingly. Current collection of real, public utility, and personal property taxes for the year end September 30, 2017 were approximately 99% of the total tax levy.

The tax rate levied by the City for 2017 was set at 20.03 mills. The City allocated the property tax per \$1,000 of assessed value for the year as follows:

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

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

		(As restated)*			
		Balance at October 1,			Balance at September 30,
		2016	Increases	Decreases	2017
Governmental activities:					
Non-depreciable capital assets:					
Land	\$	117,361,482	-	-	117,361,482
Construction in progress		<u>13,880,191</u>	<u>1,660,779</u>	-	<u>14,905,877</u>
Total non-depreciable capital assets		<u>131,241,673</u>	<u>1,660,779</u>	-	<u>132,267,359</u>
Depreciable capital assets:					
Buildings		15,683,008	4,950	-	15,687,958
Improvements other than buildings		10,321,936	30,393	-	10,352,329
Infrastructure		154,642,591	664,110	-	155,941,794
Vehicles		7,542,543	860,460	(368,900)	8,034,103
Furniture and equipment		4,547,132	414,466	(163,551)	4,798,047
Leased property under capital leases		<u>179,768</u>	<u>67,712</u>	-	<u>247,480</u>
Total depreciable capital assets	\$	<u>192,916,978</u>	<u>2,042,091</u>	<u>(532,451)</u>	<u>195,061,711</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 6 - CAPITAL ASSETS - CONTINUED:

	(As restated)*				Balance at
	Balance at				September 30,
	October 1,	Increases	Decreases	Transfers	2017
	2016				
Less accumulated depreciation for:					
Buildings	\$ (5,808,824)	(312,926)	-	-	(6,121,750)
Improvements other than buildings	(4,603,075)	(379,264)	-	-	(4,982,339)
Infrastructure	(76,115,632)	(3,254,673)	-	-	(79,370,305)
Vehicles	(5,454,041)	(487,536)	313,517	-	(5,628,060)
Furniture and equipment	(3,330,779)	(330,117)	155,184	-	(3,505,712)
Leased property under capital leases	(60,620)	(36,936)	-	-	(97,556)
Total accumulated depreciation	<u>(95,372,971)</u>	<u>(4,801,452)</u>	<u>468,701</u>	<u>-</u>	<u>(99,705,722)</u>
Total depreciable capital assets, net	<u>97,544,007</u>	<u>(2,759,361)</u>	<u>(63,750)</u>	<u>635,093</u>	<u>95,355,989</u>
Total governmental activities capital assets, net	\$ <u>228,785,680</u>	<u>(1,098,582)</u>	<u>(63,750)</u>	<u>-</u>	<u>227,623,348</u>

*See Note 15 for effect of restatement.

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

General government	\$ 106,317
Public safety	763,932
Public services	3,519,740
Culture and recreation	<u>411,463</u>
Total depreciation expense	\$ <u>4,801,452</u>

	(As restated)*				Balance at
	Balance at				September 30,
	October 1,	Increases	Decreases	Transfers	2017
	2016				
Business-type activities:					
Non-depreciable capital assets:					
Land	\$ 3,340,437	-	-	-	3,340,437
Construction in progress	729,498	814,287	-	(1,264,393)	279,392
Total non-depreciable capital assets	<u>4,069,935</u>	<u>814,287</u>	<u>-</u>	<u>(1,264,393)</u>	<u>3,619,829</u>
Depreciable capital assets:					
Buildings	782,034	-	-	-	782,034
Utility systems	56,858,055	489,627	-	1,264,393	58,612,075
Vehicles	1,133,121	28,455	-	-	1,161,576
Machinery and equipment	1,237,633	87,729	(12,655)	-	1,312,707
Total depreciable capital assets	<u>60,010,843</u>	<u>605,811</u>	<u>(12,655)</u>	<u>1,264,393</u>	<u>61,868,392</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 6 - CAPITAL ASSETS - CONTINUED:

	(As restated)* Balance at October 1, 2016	Increases	Decreases	Transfers	Balance at September 30, 2017
Less accumulated depreciation for:					
Buildings	\$ (565,104)	(32,209)	-	-	(597,313)
Utility systems	(18,913,103)	(2,014,573)	-	-	(20,927,676)
Vehicles	(1,020,037)	(17,618)	-	-	(1,037,655)
Machinery and equipment	(1,013,421)	(56,575)	11,729	-	(1,058,267)
Total accumulated depreciation	<u>(21,511,665)</u>	<u>(2,120,975)</u>	<u>11,729</u>	<u>-</u>	<u>(23,620,911)</u>
Total depreciable capital assets, net	<u>38,499,178</u>	<u>(1,515,164)</u>	<u>(926)</u>	<u>1,264,393</u>	<u>38,247,481</u>
Total business-type activities capital assets, net	\$ <u>42,569,113</u>	<u>(700,877)</u>	<u>(926)</u>	<u>-</u>	<u>41,867,310</u>

*See Note 15 for effect of restatement.

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

Public Utility Fund	\$ 1,908,887
East Madison County Regional Sewer Fund	<u>212,088</u>
Total depreciation expense - business-type activities	\$ <u>2,120,975</u>

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended September 30, 2017:

	Beginning Balance October 1, 2016	Additions/ Proceeds	Reductions/ Payments	Ending Balance September 30, 2017	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 28,770,668	-	1,980,001	26,790,667	1,995,899
General obligation premium	403,707	-	48,445	355,262	42,577
Limited obligation bonds	27,935,000	-	1,390,000	26,545,000	1,450,000
Limited obligation discount	(133,303)	-	(9,141)	(124,162)	(9,141)
Limited obligation premium	52,000	-	52,000	-	-
Notes	6,643,804	*40,935	746,559	5,938,180	852,645
Capital lease obligations	115,945	67,712	55,348	128,309	64,258
Compensated absences	<u>850,900</u>	<u>-</u>	<u>18,275</u>	<u>832,625</u>	<u>41,631</u>
Government activities total	\$ <u>64,638,721</u>	<u>108,647</u>	<u>4,281,487</u>	<u>60,465,881</u>	<u>4,437,869</u>

*Current year addition relates to capitalized interest.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

	Beginning Balance October 1, 2016	Additions/ Proceeds	Reductions/ Payments	Ending Balance September 30, 2017	Due Within One Year
Business-type activities:					
General obligation bonds	\$ 8,289,333	-	715,000	7,574,333	729,101
General obligation premium	166,461	-	22,162	144,299	16,852
Notes	4,680,520	353,635	332,448	4,701,707	322,685
Compensated absences	84,192	5,902	-	90,094	4,504
Business-type activities total	<u>13,220,506</u>	<u>359,537</u>	<u>1,069,610</u>	<u>12,510,433</u>	<u>1,073,142</u>
Government-wide total	\$ <u>77,859,227</u>	<u>468,184</u>	<u>5,351,097</u>	<u>72,976,314</u>	<u>5,511,011</u>

Debt service requirements at September 30, 2017 were as follows:

Fiscal Year Ending September 30,	Governmental Activities							
	General Obligation Bonds		Limited Obligation Bonds		Notes and Capital Leases Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 2,038,476	877,444	1,440,859	1,379,338	916,903	186,113	4,396,238	2,442,895
2019	2,090,089	823,917	1,505,859	1,309,925	932,261	157,553	4,528,209	2,291,395
2020	1,648,991	770,520	1,580,859	1,231,900	913,780	128,504	4,143,630	2,130,924
2021	1,697,117	725,234	1,665,859	1,151,500	525,745	99,723	3,888,721	1,976,457
2022	1,755,743	673,210	1,740,859	1,070,063	541,544	83,503	4,038,146	1,826,776
2023-2027	9,398,867	2,335,357	10,149,295	3,888,888	2,236,256	154,971	21,784,418	6,379,216
2028-2032	4,793,425	981,175	8,337,248	942,014	-	-	13,130,673	1,923,189
2033-2037	<u>3,723,221</u>	<u>224,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,723,221</u>	<u>224,203</u>
	\$ <u>27,145,929</u>	<u>7,411,060</u>	<u>26,420,838</u>	<u>10,973,628</u>	<u>6,066,489</u>	<u>810,367</u>	<u>59,633,256</u>	<u>19,195,055</u>

Fiscal Year Ending September 30,	Business-Type Activities					
	General Obligation Bonds		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 745,953	298,246	322,685	93,290	1,068,638	391,536
2019	772,577	276,223	329,700	86,274	1,102,277	362,497
2020	799,201	253,401	333,342	82,633	1,132,543	336,034
2021	819,256	229,781	344,239	71,715	1,163,495	301,496
2022	850,270	200,612	351,774	64,200	1,202,044	264,812
2023-2027	3,731,375	484,528	1,671,828	207,847	5,403,203	692,375
2028-2032	-	-	1,092,854	63,334	1,092,854	63,334
2033-2037	<u>-</u>	<u>-</u>	<u>255,285</u>	<u>11,360</u>	<u>255,285</u>	<u>11,360</u>
	\$ <u>7,718,632</u>	<u>1,742,791</u>	<u>4,701,707</u>	<u>680,653</u>	<u>12,420,339</u>	<u>2,423,444</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Bonds and notes payable at September 30, 2017 are comprised of the following individual issues:

General Obligation Bonds:

\$3,230,000 Refunding Bonds Series 2012 due in annual installments of \$430,000 to \$495,000 on 5-1 of each year through 5-1-2019, net of unamortized premium of \$25,712 at September 30, 2017; and interest at 1.00% to 2.00%, payable on 5-1 and 11-1 of each year.	\$ 1,005,712
\$11,530,000 Refunding Series 2014 due in annual installments of \$215,000 to \$1,385,000, payable on 8-1 of each year through 8-1-27, net of unamortized premium of \$257,690 at September 30, 2017; and interest at 2.00% to 5.00%, payable on 2-1 and 8-1 of each year.	
Debt Service Fund	\$ 6,075,957
Public Utility Enterprise Fund	<u>5,496,734</u>
	11,572,691
\$5,825,000 General Obligation Bonds Series 2011 due in annual installments of \$290,000 to \$505,000, payable on 5-1 of each year through 5-1-26, net of unamortized premium of \$35,764 at September 30, 2017; and interest at 3.00% to 4.00%, payable on 5-1 and 11-1 of each year.	3,935,764
\$5,100,000 General Obligation Bonds Series 2014 due in annual installments of \$195,000 to \$340,000, payable on 6-1 of each year through 6-1-34; and interest at 3.00% to 4.00%, payable on 6-1 and 12-1 of each year.	4,500,000
\$11,900,000 General Obligation Bonds Series 2015 due in annual installments of \$430,000 to \$795,000, payable on 12-1 of each year through 12-1-35, net of unamortized premium of \$158,496 at September 30, 2017; and interest at 2.25% to 3.125%, payable on 6-1 and 12-1 of each year.	11,628,496
\$3,805,000 Refunding Bonds Series 2010 due in annual installments of \$255,000 to \$340,000, payable at 11-1 of each year through 11-1-23, net of unamortized premium of \$21,899 at September 30, 2017; and interest at 2.00% to 3.10%, payable on 5-1 and 11-1 of each year. This bond is to be paid by the City's Public Utility Enterprise Fund.	<u>2,221,898</u>
	\$ <u><u>34,864,561</u></u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Limited Obligation Bonds:

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

\$ 18,245,000

\$10,375,000 Tax Increment Financing Bonds Series 2011 due in annual installments of \$315,000 to \$845,000, payable 4-1-12 through 4-1-2031, net of unamortized discount of \$124,162 at September 30, 2017; and interest varying annually from 5.200% to 6.375%, payable on 4-1 and 10-1 of each year beginning with 10-1-11 and ending with 4-1-31. The bonds are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with an interlocal cooperation agreement between the City and Madison County, Mississippi, the County has pledged its ad valorem tax collections on benefiting property up to an annually calculated percentage, under the terms of the interlocal cooperation agreement.

8,175,838

\$ 26,420,838

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Notes:

<p>\$5,072,000 note payable to the Mississippi Department of Transportation due in annual installments of \$114,200 to \$403,900, payable 1-1-08 through 1-1-26; and interest at 5.0%, payable on 1-1 and 7-1 of each year beginning with 1-1-08 and ending with 1-1-26. In June 2013, the City and MDOT entered into an agreement to defer payments on this debt until the completion of the purchase or Rights-of-Way by the City for the Colony Park Boulevard project, but no later than January 1, 2017. Deferred payments thru January 1, 2017 have been capitalized as part of the note. The amounts deferred will be spread evenly over the remaining life of the note payments.</p>	<p>\$ 4,793,180</p>
<p>\$1,899,275 note payable to the Mississippi Department of Environmental Quality. The note is payable in monthly installments for 237 months starting on 7-1-11 and maturing 3-1-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>1,367,539</p>
<p>\$1,771,698 note payable to the Mississippi Department of Health for drinking water improvements. The note is payable in monthly installments for 235 months starting on 12-1-10 and maturing 6-1-30 with interest at 1.95%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>1,228,597</p>
<p>\$978,640 note payable to the Mississippi Department of Health for drinking water improvements. The note is payable in monthly installments for 234 months starting on 9-12-17 and maturing 2-12-34 with interest at 1.95%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>975,199</p>
<p>\$282,322 note payable to Madison County Wastewater Authority for Catlett Road improvements. The note is payable in monthly installments for 237 months starting on 10-1-03 through 6-1-23 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>92,475</p>
<p>\$404,830 note payable to Madison County Wastewater Authority for Parkway Forcemain improvements. The note is payable in monthly installments for 237 months starting on 10-10-10 through 6-10-30 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>277,037</p>
<p>\$800,000 note payable to Madison County Wastewater Authority for improvements. The note is payable in monthly installments for 180 months starting on 12-1-10 through 11-1-25 with interest at 3.73%. This note is to be paid by the City's Public Utility Enterprise Fund.</p>	<p>486,609</p>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Notes - continued:

\$363,006 note payable to Madison County Wastewater Authority for Bozeman Road pump station improvements. The note is payable in monthly installments for 234 months starting on 5-5-12 through 10-5-31 with interest at 1.75%. This note is to be paid by the City's Public Utility Enterprise Fund. \$ 274,251

\$1,845,000 Taxable Note, Series 2015 due in annual installments of \$345,000 to \$394,000, payable on 9-1-16 through 9-1-20; and interest at 3.35%, payable on 3-1 and 9-1 of each year beginning with 9-1-16 and ending with 9-1-20. The notes are to be funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with an interlocal cooperation agreement between the City and Madison County, Mississippi, the County has pledged its ad valorem tax collections on the benefiting property annually. 1,145,000
\$ 10,639,887

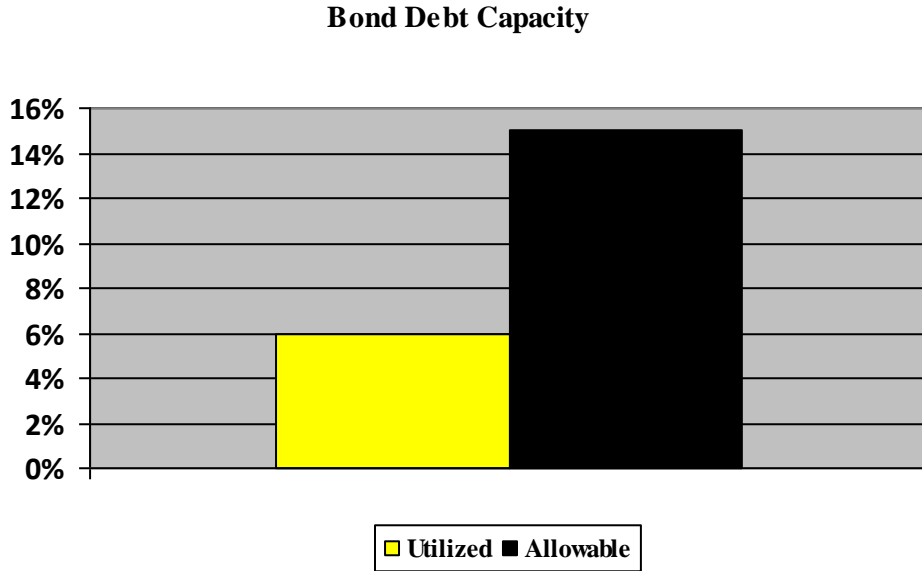
The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding bonded debt during a year can be no greater than 15% of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, unless certain conditions, such as set forth in state statutes under Mississippi Code Ann., Section 21-33-303, have been met which increases the bonded debt to no greater than 20% of the assessed value. As of September 30, 2017, the amount of outstanding bonded debt was equal to 5.92% of property assessments of \$458,535,747 computed as follows:

Bonded debt:	
General obligation bonds - Governmental Activities	\$ 27,145,929
General obligation bonds - Business-Type Activities	7,718,632
Less excludable debt:	
General obligation bonds - Business-Type Activities	<u>(7,718,632)</u>
Total debt subject to limitation	\$ <u>27,145,929</u>
Assessed valuation	\$ 458,535,747
Percentage	5.92%

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

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



Capital Lease Obligations

The City has entered into three lease agreements for financing the acquisition of a front-end loader, three police vehicles and a telephone system. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments as of the inception date. See Note 6 of the financial statements for capitalization and depreciation related to assets under capital lease. Obligations of the City’s governmental activities under capital leases at September 30, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending September 30,			
2018	\$ 64,258	3,860	68,118
2019	55,916	1,708	57,624
2020	8,135	101	8,236
Total lease payments	\$ 128,309	5,669	133,978

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED:

Operating Lease Obligations

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

	<u>Amount</u>
Year ending September 30,	
2018	\$ 84,565
2019	75,721
2020	35,196
2021	1,675
2022	<u>140</u>
Total lease payments	\$ <u><u>197,297</u></u>

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

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

The following tables summarize interfund advances from/to, and transfers in/out at September 30, 2017:

Advances

Advances to/from other funds at September 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Nonmajor Funds	\$ 1,665,862
	Colony Park TIF	668,310
	City Center	244,020
Public Utility Fund	Other Nonmajor Funds	<u>63,175</u>
Total		\$ <u><u>2,641,367</u></u>

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

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES - CONTINUED:

Transfers

Operating transfer in/out from other funds at September 30, 2017 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	Public Utility Fund	\$ 400,000
Other Nonmajor Funds	General Fund	529,112
Debt Service Fund	Other Nonmajor Funds	<u>9</u>
Total		\$ <u><u>929,121</u></u>

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information about the Pension Plan - continued:

contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

The City's total payroll for all employees was \$11,683,327 and the total covered payroll was \$11,542,419 for the year ended September 30, 2017. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Contributions: PERS members are required to contribute 9.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate for the year ended September 30, 2017 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ended September 30, 2017, 2016 and 2015 were \$1,817,931, \$1,828,010, and \$1,793,444, respectively. The contributions for each year met the required contributions.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

At September 30, 2017, the City reported a liability of \$29,689,382 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.1786 percent, which was an increase of .0027 percent from its proportion measured as of June 30, 2016.

For the year ended September 30, 2017, the City recognized pension expense of \$3,994,700. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	450,131	225,235
Net difference between projected and actual earnings on pension plan investments		2,679,649	2,293,963
Change of assumptions		668,749	54,170
Changes in proportion and differences between City contributions and proportionate share of contributions		352,640	528,583
City contributions subsequent to the measurement date		<u>483,176</u>	<u>-</u>
Total	\$	<u>4,634,345</u>	<u>3,101,951</u>

The \$483,176 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,			
2018	\$	1,046,734	
2019		486,683	
2020		89,291	
2021		<u>(573,490)</u>	
Total	\$	<u>1,049,218</u>	

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

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

Inflation	3.0 percent
Salary increases	3.25 - 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017. Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022 with rates set forward for one year for males with adjustments.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Broad	\$ 27 %	4.60 %
International Equity	18 %	4.50 %
Emerging Markets Equity	4 %	4.75 %
Global	12 %	4.75 %
Fixed Income	18 %	0.75 %
Real Estate	10 %	3.50 %
Private Equity	8 %	5.10 %
Emerging Debt	2 %	2.25 %
Cash	1 %	- %
Total	\$ <u>100</u> %	

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the City's proportionate share of the net pension liability of PERS based on the June 30, 2017, actuarial valuations, calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	City's Proportionate Share of Net <u>Pension Liability</u>
1.00% decrease (6.75%)	\$ 38,939,606
Current discount rate (7.75%)	29,689,382
1.00% increase (8.75%)	22,009,685

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

NOTE 10 - CONTINGENT LIABILITIES

Grant Audits

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 10 - CONTINGENT LIABILITIES - CONTINUED:

Litigation

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

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in State insurance funds for risks of loss for all liability and workers' compensation insurance. Settled claims resulting from these insured risks have not exceeded State insurance coverage in any of the past three fiscal years.

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

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

NOTE 12 - HEALTH INSURANCE

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 12 - HEALTH INSURANCE - CONTINUED:

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

The City of Ridgeland became self-insured in February 2003. Blue Cross Blue Shield of Mississippi is the third party administrator and their mailing address is P.O. Box 1043, Jackson, Mississippi 39215. Under this plan, the employee benefit plan payments to be covered are medical and prescription drug card. The aggregate percentage reimbursable (excess of aggregate deductible) is 100%. For the purpose of the aggregate excess insurance, the maximum allowable covered expense per person is \$65,000 for the contract period. No active service is required and retirees are not covered. In addition, the policy will reimburse the City if total losses for the policy year exceed \$1,720,900, the annual aggregate attachment point (AAAP). The AAAP is an amount equal to the product of an aggregate monthly factor times the number of covered individuals.

For the fiscal year ended September 30, 2017, the City was reimbursed \$-0- for losses in excess of \$65,000 per individual. The AAAP was not exceeded for the fiscal year. The liability reported at September 30, 2017 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on numerous complex factors, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in this claims liability during fiscal years 2015 through 2017 were as follows:

	<u>Balance at</u> <u>Beginning</u> <u>of</u> <u>Fiscal Year</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of</u> <u>Fiscal Year</u>
2014-2015	\$ -	1,042,844	1,037,609	5,235
2015-2016	5,235	1,225,423	1,150,474	80,184
2016-2017	\$ 80,184	1,381,462	1,367,172	94,474

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 13 - COMMITMENTS

At September 30, 2017, the City has entered into contracts to acquire and construct municipal facilities and infrastructure as follows:

<u>Project</u>	<u>Contract Type</u>	<u>Total Contract Amount</u>	<u>Cost Incurred as of September 30, 2017</u>	<u>Commitment Outstanding as of September 30, 2017</u>
Proposed City Center	Architecture	\$ 390,276	276,740	113,536
Proposed City Center	Engineering	827,540	512,786	314,754
Proposed City Center	Construction	455,584	382,685	72,899
Proposed City Center	Geology	6,400	-	6,400
Lake Harbour Drive Extension	Engineering	1,674,851	1,362,830	312,021
Lake Harbour Drive Extension	Other	240,357	92,113	148,244
Colony Park Boulevard	Construction	100,000	-	100,000
Old Agency Parkway Traffic Light	Construction	261,301	232,783	28,518
East Lake Harbour Drive Overlay	Engineering	267,017	104,025	162,992
Total				\$ <u>1,259,364</u>

NOTE 14 - DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

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

	<u>Amount</u>
Debt Service Funds - consolidated with other nonmajor funds:	
S.A. School Creek Interceptor Fund	\$ 63,174
Lowes TIF Note Debt Fund	590,000
Capital Project Funds - consolidated with other nonmajor funds:	
East Lake Harbour Overlay Fund	104,517
Avery Blvd. Special Assessment Fund	387,369
County Line Milling / Overlay Fund	3,281
Lake Harbour Reconstruction Fund	533,616
Harbor Crossing TIF Fund	<u>1,030</u>
Total	\$ <u>1,682,987</u>

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 14 - DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS - CONTINUED:

The deficits in capital project funds and S.A. School Creek Interceptor Fund will be remedied as transfers from general fund are budgeted in upcoming fiscal years. The deficit in the Lowes TIF bond debt fund will be remedied through the generation of future surpluses.

NOTE 15 - PRIOR PERIOD ADJUSTMENTS

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

The following summarizes the prior period adjustments discussed above:

	<u>Amount</u>
<u>Government-Wide Governmental Activities - Net Position</u>	
Balance, September 30, 2016, as previously reported	\$ 182,804,226
Prior period adjustment for:	
Capital assets, net of accumulated depreciation	<u>2,367,824</u>
Balance, September 30, 2016 as restated	\$ <u>185,172,050</u>
Net increase in governmental activities net position	\$ <u>2,367,824</u>
<u>Government-Wide Business-Type Activities - Net Position</u>	
Balance, September 30, 2016, as previously reported	
Prior period adjustments for:	\$ 33,804,457
Prepaid expenses	777,526
Capital assets, net of accumulated depreciation	<u>1,269,080</u>
Balance, September 30, 2016, as restated	\$ <u>35,851,063</u>
Net increase in business-type activities net position	\$ <u>2,046,606</u>
<u>General Fund - Fund Balance</u>	
Balance, September 30, 2016, as previously reported	\$ 16,594,512
Prior period adjustment for:	
Due from debt service funds	<u>1,450,257</u>
Balance, September 30, 2016, as restated	\$ <u>18,044,769</u>
Net increase in general fund fund balance	\$ <u>1,450,257</u>

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 15 - PRIOR PERIOD ADJUSTMENTS - CONTINUED:

<u>Colony Park TIF Bond Debt Fund - Fund Balance</u>	
Balance, September 30, 2016, as previously reported	\$ 4,665,971
Prior period adjustment for:	
Due to general fund	(662,486)
Balance, September 30, 2016, as restated	\$ <u>4,003,485</u>
Net decrease in Colony Park TIF bond debt fund fund balance	\$ <u>(662,486)</u>
<u>Other Governmental Funds - Fund Balance</u>	
Balance, September 30, 2016, as previously reported	\$ 1,410,443
Prior period adjustment for:	
Due to general fund	(787,771)
Balance, September 30, 2016, as restated	\$ <u>622,672</u>
Net decrease in other governmental funds fund balance	\$ <u>(787,771)</u>
<u>Public Utility Fund - Net Position</u>	
Balance, September 30, 2016, as previously reported	\$ 29,627,952
Prior period adjustment for:	
Capital assets, net of accumulated depreciation	1,269,080
Balance, September 30, 2016, as restated	\$ <u>30,897,032</u>
Net increase in public utility fund net position	\$ <u>1,269,080</u>
<u>East Madison County Regional Sewer Fund- Net Position</u>	
Balance, September 30, 2016, as previously reported	\$ 4,306,332
Prior period adjustment for:	
Prepaid expenses	777,526
Balance, September 30, 2016, as restated	\$ <u>5,083,858</u>
Net increase in public utility fund net position	\$ <u>777,526</u>

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In June 2015, the GASB issued Statement 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Adopted Accounting Pronouncements - continued:

governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The implementation of this statement did not impact the City's financial statements.

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

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

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued in December 2015, enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. The implementation of this statement did not impact the City's financial statements.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Adopted Accounting Pronouncements - continued:

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14, issued January 2016, enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The implementation of this statement did not impact the City's financial statements.

GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68, and No. 73, issued March 2016, improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. The Board proposed that this Statement be effective for reporting periods beginning after June 15, 2016. The implementation of this statement did not have a significant impact on the City's financial statements.

Recently Issued Accounting Pronouncements

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

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED:

Recently Issued Accounting Pronouncements - continued:

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

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

GASB Statement No. 87, *Leases*, issued June 2017, will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

CITY OF RIDGELAND, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 17 - SUBSEQUENT EVENTS

The City had no subsequent events of a material nature requiring adjustment to or disclosure in the financial statements through March 21, 2018, the date the financial statements were approved by the City's management and thereby available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

CITY OF RIDGELAND, MISSISSIPPI

**GENERAL FUND
SEPTEMBER 30, 2017**

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

The City maintains one general fund.

CITY OF RIDGELAND, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales taxes	\$ 11,793,178	11,793,178	11,250,303	(542,875)
Ad valorem taxes	5,555,381	5,555,381	5,579,610	24,229
Franchise fees	1,378,588	1,378,588	1,167,115	(211,473)
Licenses and permits	461,770	461,770	399,184	(62,586)
Intergovernmental	818,704	855,847	958,307	102,460
Charges for services	871,622	871,622	815,290	(56,332)
Fines and forfeits	1,918,614	1,932,314	1,689,715	(242,599)
Contributions	5,000	31,068	32,431	1,363
Interest earned	126,788	126,788	190,222	63,434
Net unrealized loss on investments	-	-	(66,826)	(66,826)
Miscellaneous	65,336	153,413	175,230	21,817
Total revenues	<u>22,994,981</u>	<u>23,159,969</u>	<u>22,190,581</u>	<u>(969,388)</u>
EXPENDITURES:				
General government:				
Personnel services	2,665,283	2,664,413	2,591,969	72,444
Supplies	84,243	84,243	52,990	31,253
Other services and charges	2,922,164	2,948,664	1,641,052	1,307,612
Capital outlay	4,200	11,200	77,074	(65,874)
Total general government	<u>5,675,890</u>	<u>5,708,520</u>	<u>4,363,085</u>	<u>1,345,435</u>
Public safety:				
Personnel services	9,329,474	9,388,182	9,089,364	298,818
Supplies	503,950	536,135	357,969	178,166
Other services and charges	1,208,938	1,219,251	986,388	232,863
Capital outlay	834,167	1,064,391	971,672	92,719
Total public safety	<u>11,876,529</u>	<u>12,207,959</u>	<u>11,405,393</u>	<u>802,566</u>
Public service:				
Personnel services	1,782,953	1,782,953	1,704,487	78,466
Supplies	604,514	623,417	515,515	107,902
Other services and charges	2,395,366	2,515,056	2,180,153	334,903
Capital outlay	472,429	590,456	431,271	159,185
Total public works	<u>5,255,262</u>	<u>5,511,882</u>	<u>4,831,426</u>	<u>680,456</u>
Health and Welfare:				
Supplies	55,000	86,097	86,097	-
Total health and welfare	<u>55,000</u>	<u>86,097</u>	<u>86,097</u>	<u>-</u>

CITY OF RIDGELAND, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED:				
Culture and recreation:				
Personnel services	\$ 1,046,555	1,046,555	1,028,729	17,826
Supplies	252,750	252,750	214,031	38,719
Other services and charges	980,086	980,086	953,338	26,748
Capital outlay	150,000	150,000	135,152	14,848
Total culture and recreation	2,429,391	2,429,391	2,331,250	98,141
Debt service:				
Principal	43,410	43,410	55,349	(11,939)
Interest and other fiscal charges	-	-	4,533	(4,533)
Total debt service	43,410	43,410	59,882	(16,472)
Total expenditures	\$ 25,335,482	25,987,259	23,077,133	2,910,126
Excess (deficiency) of revenue over (under) expenditures	(2,340,501)	(2,827,290)	(886,552)	1,940,738
Other financing sources (uses):				
Transfers in	400,000	400,000	400,000	-
Transfers out	(392,755)	(529,112)	(529,112)	-
Proceeds from capital lease	-	-	67,712	67,712
Sale of capital assets	29,116	30,698	13,153	(17,545)
Total other financing sources (uses)	36,361	(98,414)	(48,247)	50,167
Net change in fund balance	\$ (2,304,140)	(2,925,704)	(934,799)	1,990,905
Fund balance at beginning of year			15,478,087	
Fund balance at end of year			\$ 14,543,288	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 14,543,288	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			2,574,604	
Net Prepaids			148,129	
Net accrued expenditures and related liabilities paid after 30 days			(24,947)	
Fund balance at end of year - GAAP basis			\$ 17,241,074	

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

CITY OF RIDGELAND, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE

OF THE NET PENSION LIABILITY

LAST 10 FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the collective net pension liability	\$ 29,689,382	31,420,132	27,944,096	21,816,659
City's proportionate share of the collective net pension liability	0.1786%	0.1759%	0.1808%	0.1797%
City's covered payroll	11,460,235	11,255,168	11,086,571	9,925,733
City's proportionate share of the net pension liability as a percentage of its covered payroll	259.06%	279.16%	252.05%	219.80%
PERS' fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%

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

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

CITY OF RIDGELAND, MISSISSIPPI

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,817,931	1,828,010	1,793,444	1,747,698
Contributions in relation to the contractually required contribution	<u>1,817,931</u>	<u>1,828,010</u>	<u>1,793,444</u>	<u>1,747,698</u>
Contribution deficiency (excess)	\$ <u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
City's covered payroll	\$ 11,542,419	11,606,413	11,386,946	11,096,495
Contributions as a percentage of a covered payroll	15.75%	15.75%	15.75%	15.75%

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

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

CITY OF RIDGELAND, MISSISSIPPI

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION SCHEDULES
SEPTEMBER 30, 2017**

Budgetary Comparison Schedules

NOTE A - BASIS OF PRESENTATION

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

Pension Schedules

NOTE A - VALUATION DATE

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

NOTE B - CHANGES OF BENEFIT TERMS

None.

NOTE C - CHANGES OF ASSUMPTIONS

- The expectation of the 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 6.00% to 7.00%.

NOTE D - DATA AVAILABLE AND PRESENTED

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

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF RIDGELAND, MISSISSIPPI

**MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

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

CITY OF RIDGELAND, MISSISSIPPI
DEBT SERVICE FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property taxes	\$ 3,679,145	3,679,145	3,690,724	11,579
Intergovernmental	17,418	17,418	18,202	784
Interest earned	1,919	1,919	6,775	4,856
Miscellaneous	-	-	1,302	1,302
Total revenues	3,698,482	3,698,482	3,717,003	18,521
EXPENDITURES:				
Debt Service:				
Principal	2,648,299	2,648,299	2,331,559	316,740
Interest and other fiscal charges	1,314,753	1,314,753	1,176,462	138,291
Bond issuance costs	-	-	-	-
Total expenditures	3,963,052	3,963,052	3,508,021	455,031
Excess (deficiency) of revenue over (under) expenditures	(264,570)	(264,570)	208,982	473,552
OTHER FINANCING SOURCES:				
Transfers in	-	-	9	9
Total other financing sources	-	-	9	9
NET CHANGE IN FUND BALANCE	\$ (264,570)	(264,570)	208,991	473,561
Fund balance at beginning of year			1,206,826	
Fund balance at end of year			\$ 1,415,817	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			1,415,817	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			106,717	
Fund balance at end of year - GAAP basis			\$ 1,522,534	

CITY OF RIDGELAND, MISSISSIPPI

**COLONY PARK TIF BOND DEBT FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes:				
Sales tax	\$ 1,397,688	1,397,688	1,642,355	244,667
Property taxes	582,429	582,429	547,752	(34,677)
Intergovernmental	853,433	853,433	804,912	(48,521)
Interest earned	-	-	11,753	11,753
Total revenues	<u>2,833,550</u>	<u>2,833,550</u>	<u>3,006,772</u>	<u>173,222</u>
EXPENDITURES:				
Debt Service:				
Principal	1,390,000	1,390,000	1,390,000	-
Interest and other fiscal charges	<u>1,443,550</u>	<u>1,443,550</u>	<u>1,443,387</u>	<u>163</u>
Total expenditures	<u>2,833,550</u>	<u>2,833,550</u>	<u>2,833,387</u>	<u>163</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	<u>-</u>	173,385	<u>173,385</u>
Fund balance at beginning of year			<u>3,779,818</u>	
Fund balance at end of year (same as GAAP)			\$ <u>3,953,203</u>	

CITY OF RIDGELAND, MISSISSIPPI
CITY CENTER FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest earned	\$ -	-	101,248	101,248
Net unrealized loss on investments	-	-	(41,534)	(41,534)
Miscellaneous	-	-	-	-
Total revenues	-	-	59,714	59,714
EXPENDITURES:				
Capital outlay	188,604	215,029	38,528	176,501
Total expenditures	188,604	215,029	38,528	176,501
NET CHANGE IN FUND BALANCE	\$ (188,604)	(215,029)	21,186	236,215
Fund balance at beginning of year			11,283,486	
Fund balance at end of year			\$ 11,304,672	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ 11,304,672	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			48,284	
Fund balance at end of year - GAAP basis			\$ 11,352,956	

CITY OF RIDGELAND, MISSISSIPPI

**NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

1. Forfeiture and Seizure Fund - Special Revenue Fund - This fund accounts for the revenues and related expenditures for forfeitures and seizures of the Ridgeland Police Department.
2. School Creek Intercept Special Assessment Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the special assessments bonds for the School Creek Interceptor.
3. Avery Boulevard Special Assessment Bond Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the special assessments bonds for Avery Boulevard.
4. Lowes TIF Bond Note Fund - Debt Service Fund - This fund accounts for the accumulation of financial resources for the payment of principal and interest on the tax increment financing (TIF) note related to the Lowes TIF project.
5. Jackson Street Multi-Use Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of the Jackson Street Multi-Use Path between Highway 51 and Trace Ridge Drive.
6. City Entrance Sign Hwy 51 Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of the city entrance sign on Highway 51.
7. East Lake Harbour Overlay Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the overlay of East Lake Harbour Drive.
8. Avery Boulevard Special Assessment Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the extension of Avery Boulevard to Towne Center Boulevard funded by Special Assessments.
9. Colony Park Boulevard Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the construction of Colony Park Boulevard, an interstate connector road.
10. County Line Milling/Overlay Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the overlay of County Line Road.
11. Lake Harbour Reconstruction of Hwy 51 to Northpark Drive Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the widening of lanes on Lake Harbour Drive from Highway 51 to Northpark Drive.
12. 2014 \$5.1M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by general obligation bonds issued July 15, 2014.

CITY OF RIDGELAND, MISSISSIPPI

**NONMAJOR GOVERNMENTAL FUNDS - CONTINUED:
SEPTEMBER 30, 2017**

13. Lake Harbour Drive Extension Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the extension of Lake Harbour Drive to Highland Colony Parkway.
14. Harbor Crossing TIF Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the Harbor Crossing development on Harbor Drive.
15. Highland Colony Rehab Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the rehabilitation of Highland Colony Boulevard.
16. Craft Center Parking Lot Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the parking lot project at the MS Craft Center.
17. 2011 \$5.825M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by a public improvement bond issued May 31, 2011.
18. 2015 \$11.9M Bond Issue Fund - Capital Project Fund - This fund accounts for the financial resources to be used for the capital projects funded by general obligation bonds issued December 22, 2015.

CITY OF RIDGELAND, MISSISSIPPI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017

	Special Revenue Fund	Debt Service Funds	Capital Project Funds	Total Other Nonmajor Governmental Funds (See Exhibit A-3)
	Forfeiture and Seizure Fund			
<u>ASSETS</u>				
Cash and cash equivalents	\$ 150,251	437,469	1,403,302	1,991,022
Receivables (net of allowance for uncollectibles, where applicable):				
Grants	90,985	-	37,763	128,748
Taxes	-	154,075	-	154,075
Other governments	-	270,673	-	270,673
Total assets	<u>\$ 241,236</u>	<u>862,217</u>	<u>1,441,065</u>	<u>2,544,518</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 90,985	-	33,390	124,375
Due to other funds	1,509	720,948	1,006,580	1,729,037
Total liabilities	<u>92,494</u>	<u>720,948</u>	<u>1,039,970</u>	<u>1,853,412</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	86,303	-	86,303
Unavailable revenue - Madison county	-	270,673	-	270,673
Total deferred inflows of resources	<u>-</u>	<u>356,976</u>	<u>-</u>	<u>356,976</u>
Fund Balances:				
Restricted:				
Public safety	148,742	-	-	148,742
Capital projects	-	-	1,430,908	1,430,908
Unassigned	-	(215,707)	(1,029,813)	(1,245,520)
Total fund balances	<u>148,742</u>	<u>(215,707)</u>	<u>401,095</u>	<u>334,130</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 241,236</u>	<u>862,217</u>	<u>1,441,065</u>	<u>2,544,518</u>

CITY OF RIDGELAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES:				
Taxes:				
Sales taxes	\$ -	404,922	-	404,922
Property taxes	-	65,608	-	65,608
Special assessments	-	48,281	-	48,281
Intergovernmental	90,984	96,718	314,106	501,808
Fines and forfeitures	27,340	-	-	27,340
Interest earned	475	1,527	-	2,002
Total revenues	118,799	617,056	314,106	1,049,961
EXPENDITURES:				
Capital outlay	90,985	-	1,344,754	1,435,739
Debt Service:				
Principal	-	395,000	-	395,000
Interest and other fiscal charges	-	51,080	-	51,080
Total expenditures	90,985	446,080	1,344,754	1,881,819
Excess (deficiency) of revenues over (under) expenditures	27,814	170,976	(1,030,648)	(831,858)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	14,213	14,213
Transfers in	-	-	529,112	529,112
Transfers out	-	-	(9)	(9)
Total other financing sources (uses)	-	-	543,316	543,316
NET CHANGE IN FUND BALANCES	27,814	170,976	(487,332)	(288,542)
Fund balances at beginning of year, as previously reported	120,928	401,088	888,427	1,410,443
Prior period adjustments	-	(787,771)	-	(787,771)
Fund balances at beginning of year, as restated	120,928	(386,683)	888,427	622,672
Fund balances at end of year	\$ 148,742	(215,707)	401,095	334,130

CITY OF RIDGELAND, MISSISSIPPI

FORFEITURE AND SEIZURE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fines and forfeitures	\$ -	-	27,340	27,340
Intergovernmental	-	-	90,984	90,984
Interest earned	<u>-</u>	<u>-</u>	<u>475</u>	<u>475</u>
Total revenues	<u>-</u>	<u>-</u>	<u>118,799</u>	<u>118,799</u>
EXPENDITURES:				
Capital outlay	<u>96,000</u>	<u>96,000</u>	<u>90,985</u>	<u>5,015</u>
Total expenditures	<u>96,000</u>	<u>96,000</u>	<u>90,985</u>	<u>5,015</u>
NET CHANGE IN FUND BALANCE	\$ <u>(96,000)</u>	<u>(96,000)</u>	27,814	<u>123,814</u>
Fund balance at beginning of year			<u>120,928</u>	
Fund balance at end of year (same as GAAP)			\$ <u>148,742</u>	

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AS OF SEPTEMBER 30, 2017**

	School Creek Intercept S.A. Fund	Avery Blvd S.A. Bond Fund	Lowes TIF Note Debt Fund	Total Nonmajor Debt Service Funds (See Exhibit C-4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2	437,467	-	437,469
Receivables (net of allowance for uncollectibles, where applicable):				
Taxes	-	-	154,075	154,075
Other governments	<u>-</u>	<u>-</u>	<u>270,673</u>	<u>270,673</u>
 Total assets	\$ <u>2</u>	<u>437,467</u>	<u>424,748</u>	<u>862,217</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ <u>63,176</u>	<u>-</u>	<u>657,772</u>	<u>720,948</u>
Total liabilities	<u>63,176</u>	<u>-</u>	<u>657,772</u>	<u>720,948</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	86,303	86,303
Unavailable revenue - Madison county	<u>-</u>	<u>-</u>	<u>270,673</u>	<u>270,673</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>356,976</u>	<u>356,976</u>
Fund balances:				
Unassigned	<u>(63,174)</u>	<u>437,467</u>	<u>(590,000)</u>	<u>(215,707)</u>
Total fund balances	<u>(63,174)</u>	<u>437,467</u>	<u>(590,000)</u>	<u>(215,707)</u>
 Total liabilities, deferred inflows of resources, and fund balances	\$ <u>2</u>	<u>437,467</u>	<u>424,748</u>	<u>862,217</u>

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	School Creek		Lowes	Total
	Intercept	Avery Blvd	TIF Note	Nonmajor
	S.A.	S.A. Bond	Debt	Debt Service
	Fund	Fund	Fund	Funds (See
	<u> </u>	<u> </u>	<u> </u>	<u>Exhibit C-5)</u>
REVENUES:				
Taxes:				
Sales taxes	\$ -	-	404,922	404,922
Property taxes	-	-	65,608	65,608
Special assessments	-	48,281	-	48,281
Intergovernmental	-	-	96,718	96,718
Interest earned	<u>2</u>	<u>1,525</u>	-	<u>1,527</u>
Total revenues	<u>2</u>	<u>49,806</u>	<u>567,248</u>	<u>617,056</u>
EXPENDITURES:				
Debt service:				
Principal	-	40,000	355,000	395,000
Interest and other fiscal charges	<u>-</u>	<u>830</u>	<u>50,250</u>	<u>51,080</u>
Total expenditures	<u>-</u>	<u>40,830</u>	<u>405,250</u>	<u>446,080</u>
EXCESS OF REVENUES OVER				
EXPENDITURES	<u>2</u>	<u>8,976</u>	<u>161,998</u>	<u>170,976</u>
Fund balances at beginning of year, as previously reported	(63,176)	428,491	35,773	401,088
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(787,771)</u>	<u>(787,771)</u>
Fund balances at beginning of year, as restated	<u>(63,176)</u>	<u>428,491</u>	<u>(751,998)</u>	<u>(386,683)</u>
Fund balances at end of year	\$ <u>(63,174)</u>	<u>437,467</u>	<u>(590,000)</u>	<u>(215,707)</u>

CITY OF RIDGELAND, MISSISSIPPI

**SCHOOL CREEK INTERCEPT SPECIAL ASSESSMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Interest earned	\$ -	-	2	2
Total revenues	-	-	2	2
EXPENDITURES:				
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	<u>-</u>	2	<u>2</u>
Fund balance at beginning of year			<u>(63,176)</u>	
Fund balance at end of year (same as GAAP)			\$ <u>(63,174)</u>	

CITY OF RIDGELAND, MISSISSIPPI

**AVERY BOULEVARD SPECIAL ASSESSMENT BOND FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes:				
Special assessments	\$ 46,997	46,997	80,615	33,618
Interest earned	<u>400</u>	<u>400</u>	<u>1,525</u>	<u>1,125</u>
Total revenues	<u>47,397</u>	<u>47,397</u>	<u>82,140</u>	<u>34,743</u>
EXPENDITURES:				
Debt service:				
Principal	40,000	40,000	40,000	-
Interest and other fiscal charges	<u>1,830</u>	<u>1,830</u>	<u>830</u>	<u>1,000</u>
Total expenditures	<u>41,830</u>	<u>41,830</u>	<u>40,830</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCE	\$ <u>5,567</u>	<u>5,567</u>	41,310	<u>35,743</u>
Fund balance at beginning of year			<u>396,157</u>	
Fund balance at end of year (same as GAAP)			\$ <u>437,467</u>	

CITY OF RIDGELAND, MISSISSIPPI
LOWES TIF NOTE DEBT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales taxes	\$ 370,906	370,906	407,259	36,353
Property taxes	64,608	64,608	65,608	1,000
Intergovernmental	97,531	97,531	96,718	(813)
Total revenues	533,045	533,045	569,585	36,540
EXPENDITURES:				
Debt service:				
Principal	355,000	355,000	355,000	-
Interest and other fiscal charges	39,250	52,250	50,250	2,000
Total expenditures	394,250	407,250	405,250	2,000
NET CHANGE IN FUND BALANCE	\$ 138,795	125,795	164,335	38,540
Fund balance at beginning of year			(822,107)	
Fund balance at end of year			\$ (657,772)	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			\$ (657,772)	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			67,772	
Net change in fund balance - GAAP basis			\$ (590,000)	

CITY OF RIDGELAND, MISSISSIPPI

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

AS OF SEPTEMBER 30, 2017

	Jackson Street Multi-Use Fund	City Entrance Sign Hwy 51 Fund	East Lake Harbour Overlay Fund	Avery Blvd Special Assessment Fund	Colony Park Boulevard Fund	County Line Milling / Overlay Fund	Lake Harbour Recon 51 to NP Fund	2014 \$5.1M Bond Issue Fund	Lake Harbour Drive Extension Fund	Harbour Crossing TIF Fund	Highland Colony Rehab Fund	Craft Center Parking Lot Fund	2011 \$5.825M Bond Issue Fund	2015 \$11.9M Bond Issue Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-4)
<u>ASSETS</u>															
Cash and cash equivalents	\$ 97,361	15,000		-	280,266		-	-	736,393	-	272,070	2,212	-	-	1,403,302
Receivables (net of allowance for uncollectibles, where applicable):															
Grants	-	-	-	-	-	-	-	-	37,763	-	-	-	-	-	37,763
Total assets	<u>97,361</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>280,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>774,156</u>	<u>-</u>	<u>272,070</u>	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>1,441,065</u>
<u>LIABILITIES AND FUND BALANCES</u>															
Liabilities:															
Accounts payable	-	-	20,655	-	-	2,578	-	-	7,415	-	530	2,212	-	-	33,390
Due to other funds	-	-	83,862	387,369	-	703	533,616	-	-	1,030	-	-	-	-	1,006,580
Total liabilities	<u>-</u>	<u>-</u>	<u>104,517</u>	<u>387,369</u>	<u>-</u>	<u>3,281</u>	<u>533,616</u>	<u>-</u>	<u>7,415</u>	<u>1,030</u>	<u>530</u>	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>1,039,970</u>
Fund Balances:															
Restricted for:															
Capital projects	97,361	15,000	-	-	280,266	-	-	-	766,741	-	271,540	-	-	-	1,430,908
Unassigned	-	-	(104,517)	(387,369)	-	(3,281)	(533,616)	-	-	(1,030)	-	-	-	-	(1,029,813)
Total fund balances	<u>97,361</u>	<u>15,000</u>	<u>(104,517)</u>	<u>(387,369)</u>	<u>280,266</u>	<u>(3,281)</u>	<u>(533,616)</u>	<u>-</u>	<u>766,741</u>	<u>(1,030)</u>	<u>271,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,095</u>
Total liabilities and fund balance \$	<u>97,361</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>280,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>774,156</u>	<u>-</u>	<u>272,070</u>	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>1,441,065</u>

CITY OF RIDGELAND, MISSISSIPPI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Jackson Street Multi-Use Fund	City Entrance Sign Hwy 51 Fund	East Lake Harbour Overlay Fund	Avery Blvd Special Assessment Fund	Colony Park Boulevard Fund	County Line Milling / Overlay Fund	Lake Harbour Recon 51 to NP Fund	2014 \$5.1M Bond Issue Fund	Lake Harbour Drive Extension Fund	Harbour Crossing TIF Fund	Highland Colony Rehab Fund	Craft Center Parking Lot Fund	2011 \$5.825M Bond Issue Fund	2015 \$11.9M Bond Issue Fund	Interfund Elimin- ations	Total Nonmajor Capital Projects Funds (See Exhibit C-5)
REVENUES:																
Intergovernmental	\$ -	-	-	-	-	-	-	287,084	-	-	-	27,022	-	-	-	314,106
Total revenues	-	-	-	-	-	-	-	287,084	-	-	-	27,022	-	-	-	314,106
EXPENDITURES:																
Capital outlay	154,398	-	104,517	-	605,116	3,281	-	441,346	-	3,783	32,313	-	-	-	1,344,754	
Total expenditures	154,398	-	104,517	-	605,116	3,281	-	441,346	-	3,783	32,313	-	-	-	1,344,754	
Excess (deficiency) of revenues over (under) expenditures	(154,398)	-	(104,517)	-	(605,116)	(3,281)	-	(154,262)	-	(3,783)	(5,291)	-	-	-	(1,030,648)	
OTHER FINANCING SOURCES (USES):																
Sale of capital assets	-	-	-	-	14,213	-	-	-	-	-	-	-	-	-	-	14,213
Transfers in	245,513	-	-	-	788,561	-	263,309	-	100	-	16,203	4,087	-	-	(788,661)	529,112
Transfers out	-	-	-	-	-	-	-	(9)	-	-	-	-	(100)	(788,561)	788,661	(9)
Total other financing sources (uses)	245,513	-	-	-	802,774	-	263,309	(9)	100	-	16,203	4,087	(100)	(788,561)	-	543,316
NET CHANGE IN FUND BALANCES	91,115	-	(104,517)	-	197,658	(3,281)	263,309	(9)	(154,162)	-	12,420	(1,204)	(100)	(788,561)	-	(487,332)
Fund balances at beginning of year	6,246	15,000	-	(387,369)	82,608	-	(796,925)	9	920,903	(1,030)	259,120	1,204	100	788,561	-	888,427
Fund balances at end of year	\$ 97,361	15,000	(104,517)	(387,369)	280,266	(3,281)	(533,616)	-	766,741	(1,030)	271,540	-	-	-	-	401,095

CITY OF RIDGELAND, MISSISSIPPI
JACKSON STREET MULTI-USE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 300,000	300,000	-	(300,000)
Total revenues	300,000	300,000	-	(300,000)
EXPENDITURES:				
Capital outlay	450,825	583,095	154,398	428,697
Total expenditures	450,825	583,095	154,398	428,697
Excess (deficiency) of revenue over (under) expenditures	(150,825)	(283,095)	(154,398)	128,697
OTHER FINANCING SOURCES:				
Transfers in	113,243	245,513	245,513	-
Total other financing sources	113,243	245,513	245,513	-
NET CHANGE IN FUND BALANCE	\$ (37,582)	(37,582)	91,115	128,697
Fund balance at beginning of year			6,246	
Fund balance at end of year (same as GAAP)			\$ 97,361	

CITY OF RIDGELAND, MISSISSIPPI
CITY ENTRANCE SIGN HWY 51 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

CITY OF RIDGELAND, MISSISSIPPI
EAST LAKE HARBOUR OVERLAY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Capital outlay	-	148,548	104,517	44,031
Total expenditures	-	148,548	104,517	44,031
NET CHANGE IN FUND BALANCE	\$ -	(148,548)	(104,517)	44,031
Fund balance at beginning of year			-	
Fund balance at end of year (same as GAAP)			\$ (104,517)	

CITY OF RIDGELAND, MISSISSIPPI
AVERY BLVD SPECIAL ASSESSMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

CITY OF RIDGELAND, MISSISSIPPI

COLONY PARK BOULEVARD FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 100,000	100,000	-	(100,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	-	<u>(100,000)</u>
EXPENDITURES:				
Capital outlay	<u>881,907</u>	<u>889,610</u>	<u>605,116</u>	<u>284,494</u>
Total expenditures	<u>881,907</u>	<u>889,610</u>	<u>605,116</u>	<u>284,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(781,907)</u>	<u>(789,610)</u>	<u>(605,116)</u>	<u>184,494</u>
OTHER FINANCING SOURCES:				
Sale of capital assets	-	-	14,213	14,213
Transfers in	<u>788,561</u>	<u>788,561</u>	<u>788,561</u>	<u>-</u>
Total other financing sources	<u>788,561</u>	<u>788,561</u>	<u>802,774</u>	<u>14,213</u>
NET CHANGE IN FUND BALANCE	\$ <u>6,654</u>	<u>(1,049)</u>	197,658	<u>198,707</u>
Fund balance at beginning of year			<u>82,608</u>	
Fund balance at end of year (same as GAAP)			\$ <u>280,266</u>	

CITY OF RIDGELAND, MISSISSIPPI

**COUNTY LINE MILLING/OVERLAY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$ -	1,350,000	-	(1,350,000)
Total revenues	<u>-</u>	<u>1,350,000</u>	<u>-</u>	<u>(1,350,000)</u>
EXPENDITURES:				
Capital outlay	-	1,350,000	3,281	1,346,719
Total expenditures	<u>-</u>	<u>1,350,000</u>	<u>3,281</u>	<u>1,346,719</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	(3,281)	<u>(3,281)</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year (same as GAAP)			<u>\$ (3,281)</u>	

CITY OF RIDGELAND, MISSISSIPPI

**LAKE HARBOUR RECONSTRUCTION HWY 51 TO NORTHPARK DRIVE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES:				
Transfers in	<u>263,309</u>	<u>263,309</u>	<u>263,309</u>	<u>-</u>
Total other financing sources	<u>263,309</u>	<u>263,309</u>	<u>263,309</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>263,309</u>	<u>263,309</u>	263,309	<u>-</u>
Fund balance at beginning of year			<u>(796,925)</u>	
Fund balance at end of year (same as GAAP)			\$ <u>(533,616)</u>	

CITY OF RIDGELAND, MISSISSIPPI

**2014 \$5.1M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

CITY OF RIDGELAND, MISSISSIPPI
LAKE HARBOUR DRIVE EXTENSION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,734,892	8,734,892	1,932,609	(6,802,283)
Total revenues	8,734,892	8,734,892	1,932,609	(6,802,283)
EXPENDITURES:				
Capital outlay	13,401,347	13,511,661	441,346	13,070,315
Total expenditures	13,401,347	13,511,661	441,346	13,070,315
Excess (deficiency) of revenues over (under) expenditures	(4,666,455)	(4,776,769)	1,491,263	6,268,032
OTHER FINANCING SOURCES:				
Transfers in	14,263	2,985	100	(2,885)
Total other financing sources	14,263	2,985	100	(2,885)
NET CHANGE IN FUND BALANCE	\$ (4,652,192)	(4,773,784)	1,491,363	6,265,147
Fund balance at beginning of year			(762,385)	
Fund balance at end of year			728,978	
EXPLANATION OF DIFFERENCES BETWEEN NET CHANGE IN BUDGETARY BASIS FUND BALANCE AND NET CHANGE IN GAAP BASIS FUND BALANCE:				
Fund balance at end of year - budgetary basis			728,978	
Adjustments to GAAP basis:				
Net accrued revenue and related receivables			37,763	
Fund balance at end of year - GAAP basis			\$ 766,741	

CITY OF RIDGELAND, MISSISSIPPI

**HARBOUR CROSSING TIF FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

CITY OF RIDGELAND, MISSISSIPPI
HIGHLAND COLONY REHAB FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 215,000	215,000	-	(215,000)
Total revenues	<u>215,000</u>	<u>215,000</u>	-	<u>(215,000)</u>
EXPENDITURES:				
Capital outlay	490,500	490,500	3,783	486,717
Total expenditures	<u>490,500</u>	<u>490,500</u>	<u>3,783</u>	<u>486,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(275,500)</u>	<u>(275,500)</u>	<u>(3,783)</u>	<u>271,717</u>
OTHER FINANCING SOURCES:				
Transfers in	16,203	16,203	16,203	-
Total other financing sources	<u>16,203</u>	<u>16,203</u>	<u>16,203</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>(259,297)</u>	<u>(259,297)</u>	12,420	<u>271,717</u>
Fund balance at beginning of year			<u>259,120</u>	
Fund balance at end of year (same as GAAP)			\$ <u>271,540</u>	

CITY OF RIDGELAND, MISSISSIPPI
CRAFT CENTER PARKING LOT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	47,369	239,101	191,732
Total revenues	<u>-</u>	<u>47,369</u>	<u>239,101</u>	<u>191,732</u>
EXPENDITURES:				
Capital outlay	-	62,734	51,359	11,375
Total expenditures	<u>-</u>	<u>62,734</u>	<u>51,359</u>	<u>11,375</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(15,365)</u>	<u>187,742</u>	<u>203,107</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,087	4,087	-
Transfers out	<u>(14,164)</u>	<u>(2,886)</u>	<u>-</u>	<u>2,886</u>
Total other financing sources (uses)	<u>(14,164)</u>	<u>1,201</u>	<u>4,087</u>	<u>2,886</u>
NET CHANGE IN FUND BALANCE	\$ <u>(14,164)</u>	<u>(14,164)</u>	191,829	<u>205,993</u>
Fund balance at beginning of year			<u>(191,829)</u>	
Fund balance at end of year (same as GAAP)			<u>\$ -</u>	

CITY OF RIDGELAND, MISSISSIPPI

**2011 \$5.825M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

CITY OF RIDGELAND, MISSISSIPPI

**2015 \$11.9M BOND ISSUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Total revenues	\$ -	-	-	-
EXPENDITURES:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING USES:				
Transfers out	<u>(788,561)</u>	<u>(788,561)</u>	<u>(788,561)</u>	-
Total other financing uses	<u>(788,561)</u>	<u>(788,561)</u>	<u>(788,561)</u>	-
NET CHANGE IN FUND BALANCE	\$ <u><u>(788,561)</u></u>	<u><u>(788,561)</u></u>	<u>(788,561)</u>	<u>-</u>
Fund balance at beginning of year			<u>788,561</u>	
Fund balance at end of year (same as GAAP)			\$ <u><u>-</u></u>	

SUPPLEMENTAL INFORMATION
(UNAUDITED)

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 2017**

GENERAL FUND:

U.S. Treasury Bills	\$	748,962
Governmental National Mortgage Association (GNMA)		2,095,234
Private Export Funding Corporation (PEFCO)		269,441
State of Mississippi Tax Notes		1,903,819
Mississippi Development Bank Tax Notes		366,705
Small Business Administration		929,517
		<u>6,313,678</u>

CITY CENTER FUND:

Federal Home Loan Mortgage Corporation (FHLMC)		6,425,274
Federal Home Loan Bank		996,810
Federal National Mortgage Association (FNMA)		2,738,437
Federal Farm Credit Bank		199,394
State of Mississippi Tax Notes		1,002,150
		<u>11,362,065</u>

ENTERPRISE FUND:

U.S. Treasury Bills		99,723
U.S. Treasury Notes		248,868
Governmental National Mortgage Association (GNMA)		2,054,228
State of Mississippi Tax Notes		800,248
Mississippi Development Bank Tax Notes		231,074
Small Business Administration		234,491
Pearl MS Urban Renewal Rev.		100,066
		<u>3,768,698</u>

Total of all investments \$ 21,444,441

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2017**

<u>Position</u>	<u>Name</u>	<u>Company</u>	<u>Amount</u>	<u>Position</u>	<u>Name</u>	<u>Company</u>	<u>Amount</u>
Mayor	Gene F. McGee	St. Paul	\$ 100,000	Police Officer	Mike Bailey	St. Paul	\$ 25,000
				Police Officer	Samuel Barnett	St. Paul	25,000
Alderman	Chuck Gautier	St. Paul	100,000	Police Officer	James Bass	St. Paul	25,000
Alderman	Wesley Hamlin	St. Paul	100,000	Police Officer	Brice Berry	St. Paul	25,000
Alderman	Kenneth Heard, Jr.	St. Paul	100,000	Police Officer	Brett Bertucci	St. Paul	25,000
Alderman	William Lee	St. Paul	100,000	Police Officer	Erin Boyd	St. Paul	25,000
Alderman	Brian Ramsey	St. Paul	100,000	Police Officer	Ricky Bracy	St. Paul	25,000
Alderman	D.I. Smith	St. Paul	100,000	Police Officer	Hunter Bridges	St. Paul	25,000
Alderman	Kevin Holder	St. Paul	100,000	Police Officer	Linton Byrd	St. Paul	25,000
				Police Officer	Chris Campbell	St. Paul	25,000
City Clerk	Paula Tierce	St. Paul	50,000	Police Officer	Brad Carter	St. Paul	25,000
Finance Manager	Ashley Daniel	St. Paul	50,000	Police Officer	Kelly Chapin	St. Paul	25,000
				Police Officer	William Clark	St. Paul	25,000
Utility Manager	Barbara Lopez	St. Paul	50,000	Police Officer	Patrick Craig	St. Paul	25,000
Utility Billing Clerk	Lee Ann Keith	St. Paul	50,000	Police Officer	Justin Crawford	St. Paul	25,000
				Police Officer	Raymond Daniels	St. Paul	25,000
Deputy Clerk	Cindy Boatner	St. Paul	50,000	Police Officer	Russell Dukette	St. Paul	25,000
Deputy Clerk	Ina Byrd	St. Paul	50,000	Police Officer	Jimmy Finnegan	St. Paul	25,000
Deputy Clerk	Ericka Brown	St. Paul	50,000	Police Officer	James Forrest	St. Paul	25,000
Deputy Clerk	Karen Knight	St. Paul	50,000	Police Officer	Daniel Green	St. Paul	25,000
Deputy Clerk	Leslie Thomas	St. Paul	50,000	Police Officer	Ryan Halbert	St. Paul	25,000
				Police Officer	Rodney Hale	St. Paul	25,000
Admin Assistant	Gilda Carter	St. Paul	50,000	Police Officer	Brian Harper	St. Paul	25,000
Purchasing Clerk	Lori Foreman	St. Paul	50,000	Police Officer	Jason Haven	St. Paul	25,000
				Police Officer	Barry Hollingsworth	St. Paul	25,000
Admin Assistant	Megan Spears	St. Paul	50,000	Police Officer	Michael Hutton	St. Paul	25,000
Program Coordinator	Vacant	St. Paul	50,000	Police Officer	Jokabi Jenkins	St. Paul	25,000
Events Coordinator	Wendy Bourdin	St. Paul	50,000	Police Officer	Robert Johnson	St. Paul	25,000
Sr. Adult Coord	Lynda M Assink	St. Paul	50,000	Police Officer	Ryan Jungers	St. Paul	25,000
Athletics Coord	John Sidney North	St. Paul	50,000	Police Officer	Zerial Kitchens	St. Paul	25,000
				Police Officer	Antonio Lampkin	St. Paul	25,000
Custodian	Houston Drane	St. Paul	50,000	Police Officer	Justin Lancaster	St. Paul	25,000
				Police Officer	Charles Lewis	St. Paul	25,000
Court Clerk	Michele Wallace	St. Paul	50,000	Police Officer	Charleston Littleton	St. Paul	25,000
Deputy Court Clerk	Vacant	St. Paul	50,000	Police Officer	Joseph Martin	St. Paul	25,000
Records Clerk	Phyllis Thomas	St. Paul	50,000	Police Officer	Donald Martin	St. Paul	25,000
Records Clerk	Barrie Sivils	St. Paul	50,000	Police Officer	Douglas Mathis	St. Paul	25,000
Records Clerk	Alexandria McDaniels	St. Paul	50,000	Police Officer	Michael McGahey	St. Paul	25,000
Records Clerk	Stephanie McMillian	St. Paul	50,000	Police Officer	Andre Minter	St. Paul	25,000
Records Clerk	Laondra Williams	St. Paul	50,000	Police Officer	David Myers	St. Paul	25,000
				Police Officer	James Myers	St. Paul	25,000
Evidence Custodian	Heather Evans	St. Paul	50,000	Police Officer	Luke Neal	St. Paul	25,000
				Police Officer	Leslie Owens	St. Paul	25,000
Booking Officer	Arthur Kelly	St. Paul	50,000	Police Officer	Mark Penn	St. Paul	25,000
Booking Officer	Michael Pientowski	St. Paul	50,000	Police Officer	Sara Perkins	St. Paul	25,000
Booking Officer	Robert Beard	St. Paul	50,000	Police Officer	Alexandria Pierce	St. Paul	25,000
Booking Officer	Tony Thompson	St. Paul	50,000	Police Officer	Dylan Pritchard	St. Paul	25,000
				Police Officer	Adrian Ready	St. Paul	25,000
Code Enforcement	Bryan Johnson	St. Paul	50,000	Police Officer	Eric Redd	St. Paul	25,000
Code Enforcement	Steven Smith	St. Paul	50,000	Police Officer	Willie Robinson Jr.	St. Paul	25,000
				Police Officer	Terry Rogers	St. Paul	25,000
Code Enforcement	Georgia Trebisky	St. Paul	50,000	Police Officer	Jason Rudd	St. Paul	25,000
				Police Officer	Trendarious Sandifer	St. Paul	25,000
Police Chief	John Neal	St. Paul	50,000	Police Officer	Darius Sims	St. Paul	25,000
				Police Officer	Mitchell Tate	St. Paul	25,000
Reserve Officer	John Boyer	St. Paul	25,000	Police Officer	Jeff Thames	St. Paul	25,000
Reserve Officer	Greg Fillingame	St. Paul	25,000	Police Officer	Kason Travis	St. Paul	25,000
Reserve Officer	Andrew McCullough	St. Paul	25,000	Police Officer	Gregory Waters	St. Paul	25,000
Reserve Officer	Mike Raffield	St. Paul	25,000	Police Officer	Gerald West	St. Paul	25,000
Reserve Officer	Lester Schommer	St. Paul	25,000	Police Officer	Wilson Wielgosz	St. Paul	25,000
Reserve Officer	Steve Wilson	St. Paul	25,000	Police Officer	Elton Wilkerson	St. Paul	25,000
				Police Officer	Nathan Willridge	St. Paul	25,000
Police Officer	Thomas Addison	St. Paul	25,000	Police Officer	Matthew Witt	St. Paul	25,000
Police Officer	Brennan Alexander	St. Paul	25,000	Police Officer	Jonathan Wolfe	St. Paul	25,000
Police Officer	Thomas Anderson	St. Paul	25,000	Police Officer	Elliot Young	St. Paul	25,000

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance October 1, 2016	Current Year Transactions			Balance September 30, 2017
						Additions	Retirements	Refunding	
<u>Governmental Activities Long-Term Debt</u>									
General obligation bonds:									
Refunding bonds	05-01-12	05-01-19	2.000%	3,230,000	\$ 1,455,000	-	(475,000)	-	980,000
Bond premium				113,662	41,949	-	(16,237)	-	25,712
Public improvement	03-29-05	03-01-17	4.150%	410,000	40,000	-	(40,000)	-	-
Public improvement	08-16-07	09-30-27	4.25-5.25%	10,165,000	480,000	-	(480,000)	-	-
Bond premium				19,760	5,868	-	(5,868)	-	-
Public improvement	05-31-11	05-01-26	3-4%	5,825,000	4,255,000	-	(355,000)	-	3,900,000
Bond premium				61,897	39,890	-	(4,126)	-	35,764
General obligation bonds	07-15-14	06-01-34	3-4%	5,100,000	4,700,000	-	(200,000)	-	4,500,000
Refunding bonds	12-18-14	08-01-27	2-5%	6,053,549	5,940,667	-	-	-	5,940,667
Bond premium				175,874	148,820	-	(13,530)	-	135,290
General obligation bonds	12-22-15	12-01-35	2.25-3.125%	11,900,000	11,900,000	-	(430,000)	-	11,470,000
Bond premium					167,181	-	(8,685)	-	158,496
Total general obligation bonds					<u>29,174,375</u>	<u>-</u>	<u>(2,028,446)</u>	<u>-</u>	<u>27,145,929</u>
Limited obligation bonds:									
Colony Park phase I	10-15-09	11-30-29	3-5.375%	24,625,000	19,250,000	-	(1,005,000)	-	18,245,000
Colony Park phase II	04-21-11	04-01-31	5.2-6.375%	10,375,000	8,685,000	-	(385,000)	-	8,300,000
Bond premium				82,816	52,000	-	(52,000)	-	-
Bond discount				(173,695)	(133,303)	-	9,141	-	(124,162)
Total limited obligation bonds					<u>27,853,697</u>	<u>-</u>	<u>(1,432,859)</u>	<u>-</u>	<u>26,420,838</u>
Other long-term debt:									
County Line refunding taxable note	09-01-15	09-01-20	3.250%	1,845,000	1,500,000	-	(355,000)	-	1,145,000
Mississippi Department of Transportation	10-11-06	06-30-26	5.0%	5,072,000	4,856,867	40,935	(104,622)	-	4,793,180
Harbor walk HA-49 MDA	12-01-09	03-01-17	0.0%	2,295,482	286,937	-	(286,937)	-	-
Capital lease	03-10-15	03-10-19	2.24%	80,000	50,836	-	(19,994)	-	30,842
Capital lease	10-20-15	12-02-18	1.76%	65,139	65,109	-	(21,335)	-	43,774
Capital lease	02-10-17	02-13-20	5.97%	67,712	-	67,712	(14,019)	-	53,693
Total other long-term debt					<u>6,759,749</u>	<u>108,647</u>	<u>(801,907)</u>	<u>-</u>	<u>6,066,489</u>
Total long-term debt					<u>63,787,821</u>	<u>108,647</u>	<u>(4,263,212)</u>	<u>-</u>	<u>59,633,256</u>
<u>Business-Type Activities Long-Term Debt</u>									
General obligation bonds:									
Water and sewer	08-16-07	09-30-27	4.25-5.25%	9,200,000	435,000	-	(435,000)	-	-
Bond premium				17,884	5,311	-	(5,311)	-	-
Refunding bonds	11-04-10	11-01-23	2.0-3.1%	2,129,367	1,746,553	-	(133,311)	-	1,613,242
Bond premium				31,625	17,434	-	(2,433)	-	15,001
Refunding bonds	11-04-10	11-01-21	2.01-3.1	1,466,894	733,446	-	(146,689)	-	586,757
Bond premium				21,786	9,077	-	(2,179)	-	6,898
Refunding bonds	12-18-14	08-01-27	2-5%	5,476,452	5,374,334	-	-	-	5,374,334
Bond premium				159,125	134,640	-	(12,240)	-	122,400
Total general obligation bonds					<u>8,455,795</u>	<u>-</u>	<u>(737,163)</u>	<u>-</u>	<u>7,718,632</u>
Other long-term debt:									
State Revolving Fund Loan	04-03-97	01-03-17	4.5%	2,135,283	54,093	-	(54,093)	-	-
State Revolving Fund Loan	05-06-11	03-01-31	1.75%	4,685,918	1,456,569	-	(89,030)	-	1,367,539
State Revolving Fund Loan	10-18-10	06-01-30	1.95%	1,750,000	1,312,662	-	(84,065)	-	1,228,597
State Revolving Fund Loan	09-12-17	02-12-34	1.95%	978,640	625,004	353,635	(3,440)	-	975,199
Madison County Wastewater Authority	04-20-04	06-01-23	1.75%	282,322	107,630	-	(15,155)	-	92,475
Madison County Wastewater Authority	03-31-07	06-10-30	1.75%	404,830	296,265	-	(19,228)	-	277,037
Madison County Wastewater Authority	11-01-10	11-01-25	3.73%	800,000	537,020	-	(50,411)	-	486,609
Madison County Wastewater Authority	02-15-12	10-05-31	1.75%	363,006	291,276	-	(17,025)	-	274,251
Total other long-term debt					<u>4,680,519</u>	<u>353,635</u>	<u>(332,447)</u>	<u>-</u>	<u>4,701,707</u>
Total enterprise fund					\$ <u>13,136,314</u>	<u>353,635</u>	<u>(1,069,610)</u>	<u>-</u>	<u>12,420,339</u>

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends (Tables 1-5)

These schedules contain financial trends information intended to assist the reader in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity (Tables 6-9)

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its own-source revenues-property and sales tax.

Debt Capacity (Tables 10-16)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 17-21)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information (Tables 22-25)

These schedules contain services and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Governmental Funds Fund Balances</u>										
General Fund:										
Reserved	\$ 1,340	1,397	514	-	-	-	-	-	-	-
Unreserved	11,375	11,319	12,448	-	-	-	-	-	-	-
Nonspendable**	-	-	-	57	56	79	65	75	111	148
Restricted**	-	-	-	455	330	263	248	301	589	751
Assigned**	-	-	-	46	46	45	46	282	2,377	1,178
Unassigned**	-	-	-	12,749	12,937	14,805	14,298	16,376	13,517	15,164
Total General Fund Fund Balance	\$ <u>12,715</u>	<u>12,716</u>	<u>12,962</u>	<u>13,307</u>	<u>13,369</u>	<u>15,192</u>	<u>14,657</u>	<u>17,034</u>	<u>16,594</u>	<u>17,241</u>
										-
All Other Governmental Funds:										
Reserved	\$ -	-	525	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	270	-	449	-	-	-	-	-	-	-
Capital Projects Funds	5,590	3,025	291	-	-	-	-	-	-	-
Debt Service Funds	1,963	2,343	1,634	-	-	-	-	-	-	-
Nonspendable**	-	-	-	529	1,351	900	-	-	-	-
Restricted**	-	-	-	1,397	11,945	5,638	5,786	1,788	18,737	18,408
Assigned**	-	-	-	96	92	78	69	94	-	-
Unassigned**	-	-	-	-	-	-	-	-	(32)	(1,245)
Total All Other Governmental Funds										
Fund Balances	\$ <u>7,823</u>	<u>5,368</u>	<u>2,899</u>	<u>2,022</u>	<u>13,388</u>	<u>6,616</u>	<u>5,855</u>	<u>1,882</u>	<u>18,705</u>	<u>17,163</u>
<u>Government-Wide Funds Position</u>										
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 157,935	174,407	180,216	176,163	177,810	185,396	183,960	191,730	162,630	167,990
Restricted	18,776	16,628	1,801	923	1,068	498	4,581	395	28,229	27,218
Unrestricted	<u>12,324</u>	<u>2,266</u>	<u>4,729</u>	<u>8,097</u>	<u>7,283</u>	<u>9,088</u>	<u>13,993</u>	<u>(4,682)</u>	<u>(8,055)</u>	<u>(10,843)</u>
Total Governmental Activities Net Position	\$ <u>189,035</u>	<u>193,301</u>	<u>186,746</u>	<u>185,183</u>	<u>186,161</u>	<u>194,982</u>	<u>202,534</u>	<u>187,443</u>	<u>182,804</u>	<u>184,365</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Government-Wide Funds Position</u> - continued:										
Business-Type Activities:										
Net Investment in Capital Assets	\$ 7,869	12,294	13,540	17,548	17,901	18,747	20,515	20,214	28,164	29,447
Restricted	1,777	1,898	2,653	4,808	1,532	1,631	1,788	1,906	-	-
Unrestricted	<u>12,116</u>	<u>9,561</u>	<u>9,957</u>	<u>7,489</u>	<u>9,487</u>	<u>9,036</u>	<u>6,115</u>	<u>3,504</u>	<u>5,641</u>	<u>6,846</u>
Total Business-Type Activities Net Position	\$ <u>21,762</u>	<u>23,753</u>	<u>26,150</u>	<u>29,845</u>	<u>28,920</u>	<u>29,414</u>	<u>28,418</u>	<u>25,624</u>	<u>33,805</u>	<u>36,293</u>
Total Primary Government:										
Net Investment in Capital Assets	\$ 165,804	186,701	193,756	193,711	195,711	204,143	204,475	211,944	190,794	197,437
Restricted	20,553	18,526	4,454	5,731	2,600	2,129	6,369	2,301	28,229	27,218
Unrestricted	<u>24,440</u>	<u>11,827</u>	<u>14,686</u>	<u>15,586</u>	<u>16,770</u>	<u>18,124</u>	<u>20,108</u>	<u>(1,178)</u>	<u>(2,414)</u>	<u>(3,997)</u>
Total Primary Government Net Position	\$ <u>210,797</u>	<u>217,054</u>	<u>212,896</u>	<u>215,028</u>	<u>215,081</u>	<u>224,396</u>	<u>230,952</u>	<u>213,067</u>	<u>216,609</u>	<u>220,658</u>

Source: Audited Financial Statements

**Fund Balance information with respect to these categories for years 2008-2010 is unavailable before GASB 54 implementation.

*Amounts prior to 2017 have not been updated to reflect the effect of current year prior period adjustments.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>EXPENSES</u>										
Governmental activities:										
General government	\$ 3,833	3,841	4,039	5,376	4,066	3,444	4,954	5,504	5,666	4,749
Public safety	11,940	10,846	10,502	10,909	11,827	10,662	11,343	12,795	11,786	12,314
Court services	138	239	318	323	150	314	390	454	324	216
Public services	6,962	6,615	6,615	6,243	6,323	5,982	7,041	7,826	7,319	7,581
Health and welfare	50	54	29	45	39	31	50	55	54	86
Sanitation	1,029	1,168	1,197	1,068	1,190	1,195	1,197	-	-	-
Culture and recreation	2,856	2,319	2,393	2,586	2,651	2,745	2,840	2,988	2,697	2,738
Interest on long-term debt	2,315	1,380	1,166	3,634	4,528	4,835	2,121	2,170	2,570	2,495
Bond issuance expense	-	-	-	-	-	-	-	-	365	-
Pension expense	-	-	-	-	-	-	-	2,726	-	-
Total governmental activities expense	<u>29,123</u>	<u>26,462</u>	<u>26,259</u>	<u>30,184</u>	<u>30,774</u>	<u>29,208</u>	<u>29,936</u>	<u>34,518</u>	<u>30,781</u>	<u>30,179</u>
Business-type activities:										
Sanitation	-	-	-	-	-	-	-	1,278	1,314	1,355
Public utility	4,849	6,098	5,231	5,317	6,169	5,523	7,574	7,494	10,781	9,031
Total business-type activities expense	<u>4,849</u>	<u>6,098</u>	<u>5,231</u>	<u>5,317</u>	<u>6,169</u>	<u>5,523</u>	<u>7,574</u>	<u>8,772</u>	<u>12,095</u>	<u>10,386</u>
Total primary government expenses	<u>\$ 33,972</u>	<u>32,560</u>	<u>31,490</u>	<u>35,501</u>	<u>36,943</u>	<u>34,731</u>	<u>37,510</u>	<u>43,290</u>	<u>42,876</u>	<u>40,565</u>
<u>PROGRAM REVENUES</u>										
Governmental activities:										
Charges for services:										
General government	\$ 3,757	4,864	4,153	3,671	3,529	5,418	7,173	9,405	914	976
Public safety	-	-	426	65	7	25	9	1	2,007	1,650
Public services	140	137	242	222	235	357	304	308	100	23
Sanitation	847	951	989	1,024	1,047	1,071	1,286	-	-	-
Culture and recreation	344	322	305	339	337	310	311	281	261	224

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>PROGRAM REVENUES -</u>										
CONTINUED:										
Governmental activities - continued:										
Operating grants and contributions	\$ 1,002	265	198	326	167	230	276	198	224	203
Capital grants and contributions	<u>3,305</u>	<u>222</u>	<u>341</u>	<u>228</u>	<u>440</u>	<u>7,125</u>	<u>4,740</u>	<u>4,513</u>	<u>3,799</u>	<u>479</u>
Total governmental activities program revenues	<u>9,395</u>	<u>6,761</u>	<u>6,654</u>	<u>5,875</u>	<u>5,762</u>	<u>14,536</u>	<u>14,099</u>	<u>14,706</u>	<u>7,305</u>	<u>3,555</u>
Business-type activities:										
Charges for services:										
Sanitation	-	-	-	-	-	-	-	1,488	1,511	1,546
Public utility	5,205	6,237	7,402	6,284	5,652	6,080	6,413	6,918	9,953	9,173
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>460</u>
Total business-type activities program revenues	<u>5,205</u>	<u>6,237</u>	<u>7,402</u>	<u>6,284</u>	<u>6,320</u>	<u>6,125</u>	<u>6,413</u>	<u>8,406</u>	<u>11,557</u>	<u>11,179</u>
Total primary government program revenues	\$ <u>14,600</u>	<u>12,998</u>	<u>14,056</u>	<u>12,159</u>	<u>12,082</u>	<u>20,661</u>	<u>20,512</u>	<u>23,112</u>	<u>18,862</u>	<u>14,734</u>
<u>NET (EXPENSE)/REVENUE</u>										
Governmental activities	\$ (19,728)	(19,701)	(19,605)	(24,309)	(25,012)	(14,672)	(15,837)	(19,812)	(23,476)	(26,624)
Business-type activities	<u>356</u>	<u>139</u>	<u>2,171</u>	<u>967</u>	<u>151</u>	<u>602</u>	<u>(1,161)</u>	<u>(366)</u>	<u>(538)</u>	<u>793</u>
Total primary government net expense	\$ <u>(19,372)</u>	<u>(19,562)</u>	<u>(17,434)</u>	<u>(23,342)</u>	<u>(24,861)</u>	<u>(14,070)</u>	<u>(16,998)</u>	<u>(20,178)</u>	<u>(24,014)</u>	<u>(25,831)</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Intergovernmental/unrestricted	\$ 10,808	11,076	11,281	10,194	10,361	11,424	11,288	13,788	15,198	13,611
Taxes:										
Property taxes	7,382	7,474	6,745	10,089	10,254	9,176	8,695	9,362	9,662	9,881
Other taxes	1,114	1,222	554	586	613	607	615	632	1,688	1,527
Unrestricted investment income	971	632	1,001	287	363	316	306	197	212	333
Other	3,586	2,027	2,000	1,605	4,282	1,836	2,486	615	121	65
Transfers	-	-	(30)	-	189	133	-	236	-	400
Total governmental activities	<u>23,861</u>	<u>22,431</u>	<u>21,551</u>	<u>22,761</u>	<u>26,062</u>	<u>23,492</u>	<u>23,390</u>	<u>24,830</u>	<u>26,881</u>	<u>25,817</u>
Business-type activities:										
Unrestricted investment income	568	570	243	168	77	52	39	56	77	77
Other	433	348	6	235	365	(26)	127	85	84	(28)
Transfers	-	-	30	-	(189)	(133)	-	(236)	-	(400)
Total business-type activities	<u>1,001</u>	<u>918</u>	<u>279</u>	<u>403</u>	<u>253</u>	<u>(107)</u>	<u>166</u>	<u>(95)</u>	<u>161</u>	<u>(351)</u>
Total primary government	\$ <u>24,862</u>	<u>23,349</u>	<u>21,830</u>	<u>23,164</u>	<u>26,315</u>	<u>23,385</u>	<u>23,556</u>	<u>24,735</u>	<u>27,042</u>	<u>25,466</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 4,133	2,730	1,946	(1,548)	1,050	8,820	7,553	5,018	3,405	(807)
Business-type activities	<u>1,357</u>	<u>1,057</u>	<u>2,450</u>	<u>1,370</u>	<u>404</u>	<u>495</u>	<u>(995)</u>	<u>(461)</u>	<u>(377)</u>	<u>442</u>
Total primary government	\$ <u>5,490</u>	<u>3,787</u>	<u>4,396</u>	<u>(178)</u>	<u>1,454</u>	<u>9,315</u>	<u>6,558</u>	<u>4,557</u>	<u>3,028</u>	<u>(365)</u>

Source: Audited Financial Statements

*Amounts prior to 2017 have not been updated to reflect the effect of current year prior period adjustments.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES:										
Taxes	\$ 18,164	18,522	18,001	20,255	20,584	20,512	20,152	23,110	23,260	23,102
Franchise fees	1,035	1,155	1,059	1,160	1,122	1,126	1,273	1,367	1,245	1,167
Licenses, fees, and permits	701	323	255	280	294	362	379	382	392	399
Fines and forfeitures	1,050	1,290	2,075	1,442	1,316	1,698	1,241	2,350	1,905	1,707
Charges for services	1,532	1,562	2,157	1,780	1,797	1,968	2,142	847	797	815
Special assessments	202	8	21	74	44	43	46	44	46	48
Interest earned	971	581	998	286	361	316	242	141	212	332
Intergovernmental programs	5,561	1,858	1,251	1,551	2,702	9,191	7,863	5,962	6,554	2,238
Other revenue	523	212	180	130	193	(234)	190	348	117	101
Total revenues	<u>29,739</u>	<u>25,511</u>	<u>25,997</u>	<u>26,958</u>	<u>28,413</u>	<u>34,982</u>	<u>33,528</u>	<u>34,551</u>	<u>34,528</u>	<u>29,909</u>
EXPENDITURES:										
General government	3,386	2,960	3,398	3,479	3,390	3,391	3,784	4,821	5,217	4,243
Public safety	10,100	9,391	9,917	10,118	9,720	9,934	10,580	10,603	9,877	10,225
Court services	138	239	317	323	150	314	390	454	287	191
Public services	3,998	3,482	3,411	4,047	3,554	3,714	4,695	4,676	4,328	4,423
Sanitation	944	858	1,043	1,068	1,190	1,195	1,197	-	-	-
Health and welfare	50	54	29	45	39	31	50	55	54	86
Culture and recreation	2,302	2,061	2,112	2,108	2,090	2,184	2,377	2,191	2,159	2,195
Economic development and assistance	112	82	70	53	38	50	50	-	-	-
Capital outlay	7,261	4,271	3,962	5,674	1,231	7,846	6,844	8,023	4,551	3,089
Debt service:										
Debt issuance cost and other	-	-	-	-	-	-	-	25	365	-
Interest	2,032	1,384	1,315	3,290	4,720	2,618	2,044	2,293	2,250	2,676
Principal	2,907	3,219	2,818	3,212	3,473	3,259	2,869	2,199	3,827	4,172
Total expenditures	<u>33,230</u>	<u>28,001</u>	<u>28,392</u>	<u>33,417</u>	<u>29,595</u>	<u>34,536</u>	<u>34,880</u>	<u>35,340</u>	<u>32,915</u>	<u>31,300</u>
Excess of revenues over (under) expenditures	\$ <u>(3,491)</u>	<u>(2,490)</u>	<u>(2,395)</u>	<u>(6,459)</u>	<u>(1,182)</u>	<u>446</u>	<u>(1,352)</u>	<u>(789)</u>	<u>1,613</u>	<u>(1,391)</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
OTHER FINANCING SOURCES										
(USES):										
Issuance of bonds/loan proceeds	\$ -	-	4,160	5,887	3,159	-	5,100	6,053	13,745	-
Payment to refunded debt escrow agent	-	-	(4,350)	-	114	-	-	(6,230)	-	-
Premium on bonds	-	-	273	-	(3,240)	-	-	176	174	-
Debt service principal	-	-	-	-	-	-	-	-	(1,814)	-
Sale of assets	48	36	212	38	45	33	24	88	40	27
Inception of capital leases	-	-	-	-	-	-	-	80	65	68
Transfers from other funds	1,355	1,173	10,984	1,119	1,397	410	11,550	4,856	11,137	929
Transfers to other funds	<u>(1,355)</u>	<u>(1,173)</u>	<u>(11,014)</u>	<u>(1,119)</u>	<u>(1,209)</u>	<u>(427)</u>	<u>(11,550)</u>	<u>(4,856)</u>	<u>(11,137)</u>	<u>(529)</u>
Total other financing sources (uses)	<u>48</u>	<u>36</u>	<u>265</u>	<u>5,925</u>	<u>266</u>	<u>16</u>	<u>5,124</u>	<u>167</u>	<u>12,210</u>	<u>495</u>
Net change in fund balances	\$ <u><u>(3,443)</u></u>	<u><u>(2,454)</u></u>	<u><u>(2,130)</u></u>	<u><u>(534)</u></u>	<u><u>(916)</u></u>	<u><u>462</u></u>	<u><u>3,772</u></u>	<u><u>(622)</u></u>	<u><u>13,823</u></u>	<u><u>(896)</u></u>
Debt service as a percentage of noncapital expenditures	<u>19.07%</u>	<u>20.14%</u>	<u>17.72%</u>	<u>24.34%</u>	<u>29.52%</u>	<u>22.68%</u>	<u>18.24%</u>	<u>17.23%</u>	<u>21.82%</u>	<u>24.81%</u>

Source: Audited Financial Statements

*Amounts prior to 2017 have not been updated to reflect the effect of current year prior period adjustments.

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

Fiscal Year	General Government	Public Safety	Court Services	Public Works	Sanitation	Health and Welfare	Culture and Recreation	Economic Development	Capital Outlay	Debt Service	Total
2008	\$ 3,386	\$ 10,100	\$ 138	\$ 3,998	\$ 944	\$ 50	\$ 2,302	\$ 112	\$ 7,261	\$ 4,939	\$ 33,230
2009	2,960	9,391	239	3,482	858	54	2,061	82	4,271	4,603	28,001
2010	3,398	9,917	317	3,411	1,043	29	2,112	70	3,962	4,133	28,392
2011	3,479	10,118	323	4,047	1,068	45	2,108	53	5,674	6,502	33,417
2012	3,390	9,720	150	3,554	1,190	39	2,090	38	1,231	8,193	29,595
2013	3,391	9,934	314	3,714	1,195	31	2,184	50	7,846	5,877	34,536
2014	3,784	10,580	390	4,695	1,197	50	2,377	50	6,844	4,913	34,880
2015	4,821	10,603	454	4,676	-	55	2,191	-	8,023	4,517	35,340
2016	5,217	9,877	287	4,328	-	54	2,159	-	4,551	6,442	32,915
2017	4,243	10,225	191	4,423	-	86	2,195	-	3,089	6,848	31,300

Source: Audited Financial Statements

*Amounts prior to 2017 have not been updated to reflect the effect of current year prior period adjustments.

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

Fiscal Year	Property Taxes	Sales Taxes (1)
2008	\$ 7,357	\$ 10,807
2009	7,446	11,076
2010	7,139	11,281
2011	10,061	10,194
2012	10,223	10,361
2013	9,088	11,424
2014	8,659	11,493
2015	9,323	13,787
2016	9,662	13,598
2017	9,881	13,221

Source: Audited Financial Statements

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

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

Fiscal Year	(1) Total Levy	Current Collections	% Current Collected	Collections in Subsequent Years	Total Tax Collections	Ratio Total Collected to Levy
2008	\$ 7,573	\$ 7,356	97.1%	\$ 217	\$ 7,573	100.0%
2009	7,017	6,869	97.9%	148	7,017	100.0%
2010	7,454	7,268	97.5%	186	7,454	100.0%
2011	7,977	7,822	98.1%	155	7,977	100.0%
2012	7,862	7,667	97.5%	195	7,862	100.0%
2013	8,723	8,641	99.1%	82	8,723	100.0%
2014	8,961	8,817	98.4%	144	8,961	100.0%
2015	9,571	9,316	97.3%	255	9,571	100.0%
2016	8,976	8,876	98.9%	100	8,976	100.0%
2017	9,184	9,067	98.7%	-	9,067	98.7%

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

Source: Madison County Tax Collector Office

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

Fiscal Year	Real Property		Personal Property		Utilities		Vehicles		Totals		% Assessed Increase (Decrease)
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
2008	\$ 255,521	\$ 1,867,844	\$ 63,575	\$ 423,833	\$ 6,515	\$ 43,433	\$ 57,710	\$ 192,367	\$ 383,321	\$ 2,527,477	5.2%
2009	270,611	1,978,151	53,656	357,707	6,490	43,267	56,210	187,367	386,967	2,566,492	1.0%
2010	294,179	2,150,431	60,092	400,613	6,645	44,300	51,891	172,970	412,807	2,768,314	6.7%
2011	311,607	2,277,829	65,939	439,593	5,218	34,787	49,283	164,277	432,047	2,916,486	4.7%
2012	315,729	2,307,961	51,047	340,313	5,613	37,420	48,298	160,993	420,687	2,846,687	-2.6%
2013	318,905	2,331,177	54,693	364,620	7,063	47,087	48,691	162,303	429,352	2,905,187	2.1%
2014	322,443	2,357,039	52,537	350,247	9,497	63,313	50,386	167,953	434,863	2,938,552	1.3%
2015	336,960	2,463,158	49,511	330,073	10,296	68,640	52,299	174,330	449,066	3,036,201	3.3%
2016	334,520	2,445,322	49,856	332,373	10,130	67,533	58,088	193,627	452,594	3,038,855	0.8%
2017	336,716	2,461,374	49,401	329,340	10,526	70,173	61,893	206,310	458,536	3,067,197	1.3%

(1) Assessment rates are as follows:

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

Personal Property - Assessed at 15% of actual value.

Utilities - Assessed at 15% of actual value.

Vehicles - Assessed at 30% of actual value.

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

(2) Assessed values for 2016 and 2017 real property are presented net of homestead exemption. Amounts for 2008-2015 are presented gross of homestead exemption.

Source: Madison County Tax Assessor

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

Fiscal Year	City of Ridgeland			Madison County			School District			Grand Total Millage
	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	
2008	10.02	10.01	20.03	28.96	3.30	32.26	42.05	12.50	54.55	106.84
2009	10.02	10.01	20.03	32.20	3.36	35.56	42.05	12.50	54.55	110.14
2010	10.02	10.01	20.03	32.40	3.23	35.63	41.65	12.90	54.55	110.21
2011	11.27	8.76	20.03	32.36	3.27	35.63	40.99	13.56	54.55	110.21
2012	11.27	8.76	20.03	32.36	3.27	35.63	41.57	12.98	54.55	110.21
2013	11.27	8.76	20.03	34.86	3.27	38.13	43.55	11.00	54.55	112.71
2014	11.27	8.76	20.03	34.06	4.07	38.13	43.55	11.00	54.55	112.71
2015	11.27	8.76	20.03	34.06	4.07	38.13	45.55	9.00	54.55	112.71
2016	11.27	8.76	20.03	33.81	4.32	38.13	46.55	8.00	54.55	112.71
2017	11.27	8.76	20.03	33.81	4.32	38.13	46.55	8.00	54.55	112.71

Source: Madison County Tax Assessor's Office

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

Taxpayer	Type of Business	<u>2017</u>			<u>2008</u>			
		Assessed Valuation	Rank	% of Total Assessed Valuation	Type of Business	Assessed Valuation	Rank	% of Total Assessed Valuation
Renaissance at Colony Park, LLC	Lifestyle Center	\$ 11,169	1	2.82%				
Entergy Mississippi Inc.	Energy	9,466	2	2.39%				
Northpark Mall LP	Shopping Mall	8,196	3	2.07%		\$ 7,565	1	2.32%
200 Renaissance, LLC	Office Building	7,522	4	1.90%				
Cellular South (S3)	Phone	5,392	5	1.36%				
Trace Apartment, LP	Apartments	5,388	6	1.36%				
300 Renaissance, LLC	Office Building	4,781	7	1.21%		3,972	2	1.22%
Southern Farm Bureau Casualty Insurance	Insurance	3,085	8	0.78%		2,570	5	0.79%
Legacy Park Apartments, LLC	Apartments	3,013	9	0.76%		2,921	3	0.90%
Natchez Trace - BH, LLC	Apartments	<u>2,957</u>	10	0.75%				
Jackson Residential Associates					Real Estate	2,586	4	0.79%
Colonial Realty, LP					Apartments	2,540	6	0.78%
Diversified Technology, Inc.					Technology	2,292	7	0.70%
Sunchase of Ridgeland, Ltd.					Apartments	2,226	8	0.68%
Mid-America Capital Partners, LP					Apartments	2,065	9	0.63%
Lowe's Home Centers, Inc.					Store	<u>1,908</u>	10	0.59%
Total taxable assessed value of 10 largest taxpayers		60,969		15.40%		30,645		9.40%
Total taxable assessed value of other taxpayers		<u>335,674</u>		84.60%		<u>294,966</u>		90.60%
Total taxable assessed value of all taxpayers		<u>\$ 396,643</u>		100.00%		<u>\$ 325,611</u>		100.00%

Source: Madison County Tax Assessor's Office

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

Fiscal Year	Beginning Balance	Current Billing	Current Collection (1)	Ratio of Collection to Amount Due	Assessments	Total Outstanding Assessments
2008	\$ 876,166	\$ 143,093	\$ 120,977	85%	\$ -	\$ 755,189
2009	755,189	131,237	73,979	56%	-	681,210
2010	681,210	120,977	120,977	100%	-	560,233
2011	560,233	120,977	167,974	139%	-	392,259
2012	392,259	120,977	165,975	137%	-	226,284
2013	226,284	46,997	46,997	100%	-	179,287
2014	179,287	46,997	46,997	100%	-	132,290
2015	132,290	46,997	46,997	100%	-	85,293
2016	85,293	46,997	13,380	28%	-	71,913
2017	71,913	41,570	71,913	173%	-	-

(1) Includes prepayments

Source: City of Ridgeland

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

<u>Fiscal Year</u>	<u>Jurisdiction</u>	(2) <u>Net General Obligation Bonded Debt Outstanding</u>	(3) <u>Percentage Applicable to Ridgeland</u>	<u>Amount Applicable to Ridgeland</u>
Direct:				
2017	City of Ridgeland	\$ <u>59,633</u>	100.00%	\$ <u>59,633</u>
Total Direct		<u>59,633</u>		<u>59,633</u>
Overlapping:				
2017	Madison County	79,174	37.40%	29,611
2017	Madison County Schools	<u>66,247</u>	37.40%	<u>24,776</u>
Total Overlapping		<u>145,421</u>		<u>54,387</u>
Total Direct and Overlapping		\$ <u>205,054</u>		\$ <u>114,020</u>
Direct:				
2008	City of Ridgeland	\$ <u>31,003</u>	100.00%	\$ <u>31,003</u>
Total Direct		<u>31,003</u>		<u>31,003</u>
Overlapping:				
2008	Madison County	75,964	37.40%	28,411
2008	Madison County Schools	<u>89,325</u>	37.40%	<u>33,408</u>
Total Overlapping		<u>165,289</u>		<u>61,819</u>
Total Direct and Overlapping		\$ <u>196,292</u>		\$ <u>92,822</u>

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

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

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

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

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita
	General Obligation Bonds (net of premiums)	Limited Obligation Bonds (net of discounts)	Notes and Capital Lease Obligations	General Obligation Bonds (net of premiums)	Notes			
2008	\$ 24,880	\$ 4,898	\$ 1,225	\$ 9,035	\$ 2,884	\$ 42,922	4.93%	\$ 1.84
2009	22,368	4,512	788	8,631	4,000	40,299	4.45%	1.76
2010	20,233	4,101	7,559	8,315	8,609	48,817	6.05%	2.25
2011	24,014	27,423	6,617	11,631	4,364	74,049	8.52%	3.08
2012	21,349	35,986	5,853	11,094	5,687	79,969	9.26%	3.25
2013	18,416	34,313	5,459	10,528	5,297	74,013	8.24%	3.02
2014	20,979	32,561	5,059	9,952	4,896	73,447	8.38%	2.99
2015	18,995	31,002	4,843	9,168	4,518	68,526	7.89%	2.83
2016	29,174	27,854	6,760	8,456	4,680	76,924	8.81%	3.16
2017	27,146	26,421	6,066	7,718	4,702	72,053	8.12%	2.94

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

(a) See Table 17 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed value of property	\$ 383,321	\$ 386,967	\$ 412,807	\$ 432,047	\$ 420,687	\$ 429,352	\$ 434,863	\$ 449,066	\$ 452,594	\$ 458,536
Debt limit, 15% of assessed valuation	57,498	58,045	61,921	64,807	63,103	64,403	65,229	67,360	67,889	68,780
Amount of debt applicable to limit:										
General obligation bonds	24,880	22,368	20,233	24,014	21,349	18,416	20,979	18,995	29,174	27,146
Less:										
Special assessment bonds	<u>595</u>	<u>295</u>	<u>265</u>	<u>230</u>	<u>195</u>	<u>160</u>	<u>120</u>	<u>80</u>	<u>40</u>	<u>-</u>
Total net debt applicable to limit (a)-(b)	24,285	22,073	19,968	23,784	21,154	18,256	20,859	18,915	29,134	27,146
Legal debt margin	<u>33,213</u>	<u>35,972</u>	<u>41,953</u>	<u>41,023</u>	<u>41,949</u>	<u>46,147</u>	<u>44,370</u>	<u>48,445</u>	<u>38,755</u>	<u>41,634</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>42.24%</u>	<u>38.03%</u>	<u>32.25%</u>	<u>36.70%</u>	<u>33.52%</u>	<u>28.35%</u>	<u>31.98%</u>	<u>28.08%</u>	<u>42.91%</u>	<u>39.47%</u>

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI
TABLE 14
RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Estimated Population (1)	Assessed Valuation (2)	Gross Bonded Debt (3)	Less Debt Service Fund	Net Bonded Debt	Net Bonded Debt Per Capita (4)	Ratio of Net Bonded Debt to Assessed Value
2008	23.3	383,321	24,880	2,194	22,686	974	5.92%
2009	22.8	386,967	22,368	2,564	19,804	869	5.12%
2010	21.7	412,807	20,233	1,738	18,495	852	4.48%
2011	24.0	432,047	24,014	1,169	22,845	952	5.29%
2012	24.5	420,687	21,349	275	21,074	860	5.01%
2013	24.5	429,352	18,416	-	18,416	752	4.29%
2014	24.6	434,863	20,979	-	20,979	853	4.82%
2015	24.2	449,066	18,995	463	18,532	766	4.13%
2016	24.3	452,594	29,174	1,318	27,856	1,146	6.15%
2017	24.5	458,536	27,146	1,523	25,623	1,046	5.59%

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

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

(2) From Table 7.

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

(4) Expressed in actual dollars.

CITY OF RIDGELAND, MISSISSIPPI

TABLE 15

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2008	\$ 2,907	\$ 2,012	\$ 4,919	\$ 33,230	14.80%
2009	3,218	1,384	4,602	28,001	16.44%
2010	2,218	935	3,153	28,392	11.11%
2011	3,212	3,194	6,406	33,417	19.17%
2012	3,474	4,627	8,101	29,595	27.37%
2013	3,258	2,606	5,864	34,536	16.98%
2014	2,869	1,916	4,785	34,880	13.72%
2015	2,199	2,293	4,492	35,340	12.71%
2016	3,826	2,250	6,076	32,915	18.46%
2017	4,172	2,676	6,848	31,300	21.88%

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

Source: Audited Financial Statements

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

Utility Revenue Notes

Fiscal Year	Water & Sewer Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$ 5,596	\$ 3,536	\$ 2,060	\$ 248	\$ 118	\$ 366	5.62
2009	6,585	5,205	1,380	253	81	335	4.12
2010	7,402	3,770	3,632	336	76	412	8.82
2011	6,284	3,510	2,774	208	79	287	9.66
2012	6,001	4,192	1,810	289	97	387	4.68
2013	6,080	3,720	2,360	298	95	393	6.01
2014	6,412	5,700	712	308	79	387	1.84
2015	6,919	5,468	1,451	317	69	386	3.76
2016	6,924	5,344	1,580	327	59	386	4.09
2017	6,806	4,938	1,868	231	68	299	6.25

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

Limited Obligation Bonds

Fiscal Year	Pledged Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2008	\$ 225	\$ 342	\$ 337	\$ 679	0.33
2009	691	366	313	679	1.02
2010	2,108	1,256	1,374	2,630	0.80
2011	2,120	1,263	1,633	2,896	0.73
2012	3,654	1,622	1,906	3,528	1.04
2013	3,158	1,663	1,832	3,495	0.90
2014	3,200	1,741	1,240	2,981	1.07
2015	2,593	1,549	1,688	3,236	0.80
2016	3,686	1,330	1,499	2,829	1.30
2017	2,783	1,390	1,441	2,831	0.98

Source: Audited Financial Statements

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

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	County School Enrollment	Unemployment Rate
2008	23,347	\$ 871,170	\$ 37,314	33.5	10,896	5.8%
2009	22,849	904,957	39,606	32.0	11,487	6.3%
2010	21,708	807,538	37,200	34.4	11,575	5.7%
2011	24,047	869,299	36,150	34.4	12,159	7.6%
2012	24,596	863,147	35,093	34.4	11,811	6.5%
2013	24,542	898,360	36,605	34.2	12,182	6.3%
2014	24,592	876,852	35,656	35.1	12,506	5.3%
2015	24,221	868,783	35,869	33.7	12,772	4.2%
2016	24,351	873,446	35,869	33.7	13,075	4.4%
2017	24,483	887,582	36,253	33.3	13,171	3.6%

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

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

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Vocational Schools</u>	<u>Junior College</u>	<u>Total County Enrollment</u>
2008	2	1	1	1	1	10,896
2009	2	1	1	1	1	11,487
2010	2	1	1	1	1	11,575
2011	2	1	1	1	1	12,159
2012	2	1	1	1	1	11,811
2013	2	1	1	1	1	12,182
2014	2	1	1	1	1	12,506
2015	2	1	1	1	1	12,772
2016	2	1	1	1	1	13,075
2017	2	1	1	1	1	13,171

Source: City of Ridgeland

CITY OF RIDGELAND, MISSISSIPPI
TABLE 19
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	(2) Rank	Percentage of Total Employment (1)
C-Spire	675	1	2.47%			
Cellular South	650	2	2.38%			
Madison County Schools	450	3	1.65%			
Butler, Snow	335	4	1.23%			
Bankplus	334	5	1.22%			
City of Ridgeland	272	6	1.00%			
Wal-Mart Superstore	267	7	0.98%	443	1	Unknown
Horne LLP	250	8	0.92%			
The Orchard	209	9	0.77%			
MidSouth Staffing	160	10	0.59%			
Southern Farm Bureau				300	2	Unknown
Diversified Technology				150	3	Unknown
Gulf South Medical Supply				150	4	Unknown
Total employees of principal employers	3,602		13.19%	1,043		Unknown
Total employees of other employers	23,712		86.81%	Unknown		Unknown
Total	27,314		100.00%	Unknown		Unknown

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

(1) Information was unavailable.

(2) The only information available for 2008 was the top 4 Employers.

CITY OF RIDGELAND, MISSISSIPPI
TABLE 20
CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS

Calendar Year	Non-Residential		Residential			Alterations	Total Value	% Change
	Number of Permits	Value	Number of Permits	Increase in Family Units	Value			
2008	52	98,851,015	51	51	25,949,725	34,013,832	158,814,572	5.4%
2009	23	8,346,951	92	15	10,004,903	24,531,298	42,883,152	-73.0%
2010	121	18,864,101	98	22	9,792,372	19,480,029	48,136,502	12.3%
2011	123	19,447,698	132	24	12,233,459	14,627,572	46,308,729	-3.8%
2012	104	8,075,242	196	35	18,368,500	12,507,771	38,951,513	-15.9%
2013	142	19,023,885	143	35	14,774,347	15,715,274	49,513,506	27.1%
2014	120	18,923,933	202	77	29,655,431	20,430,180	69,009,544	39.4%
2015	100	20,415,795	207	89	33,605,562	11,186,414	65,207,771	-5.5%
2016	90	19,637,647	224	62	26,517,126	15,191,336	61,346,109	-5.9%
2017	81	29,118,327	211	55	21,761,280	17,281,810	68,161,417	11.1%

Source: City of Ridgeland

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

Fiscal Year	Real Property Value (2)	Non-Residential Construction (1)		Residential Construction (1)		Additions/Alterations (1)	
		Number of Units	Value	Number of Units	Value	Number of Units	Value
2008	\$ 1,867,844	52	\$ 98,851	51	\$ 25,950	*	\$ 34,014
2009	1,978,151	23	8,347	15	10,005	93	24,531
2010	2,150,431	121	18,864	22	9,792	76	19,480
2011	2,277,829	123	19,448	24	12,233	108	14,628
2012	2,307,961	104	8,075	35	18,369	161	12,508
2013	2,331,177	142	19,024	35	14,774	108	15,715
2014	2,357,039	120	18,924	77	29,655	125	20,430
2015	2,463,158	100	20,416	89	33,606	118	11,186
2016	2,445,322	90	19,638	62	26,517	162	15,191
2017	2,461,374	81	29,118	55	21,761	156	17,282

(1) From Table 20

(2) Total estimated actual value from Table 7

Source: City of Ridgeland

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

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	15	15	15	22	42	42	42	42	42	37
Public safety (1)	152	151	156	159	151	147	147	147	150	158
Public services	62	59	83	71	60	60	60	60	60	65
Culture and recreation	<u>13</u>	<u>13</u>	<u>12</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total	<u><u>242</u></u>	<u><u>238</u></u>	<u><u>266</u></u>	<u><u>266</u></u>	<u><u>266</u></u>	<u><u>262</u></u>	<u><u>262</u></u>	<u><u>262</u></u>	<u><u>265</u></u>	<u><u>273</u></u>

Source: City of Ridgeland

Notes:

(1) Includes Fire and Police

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Building permits issued*	103	115	219	255	300	285	322	307	314	292
Building inspections conducted	-	-	-	-	-	-	-	-	-	-
Public safety:										
Police:										
Arrests	3,511	3,730	3,302	3,447	3,393	3,735	3,817	3,619	3,764	3,945
Traffic violations	11,987	14,277	11,971	14,734	12,980	11,968	12,266	15,738	13,412	12,674
Parking violations	169	118	106	81	96	103	100	86	125	64
Fire:										
Number of emergency calls answered	2,231	2,245	2,348	2,030	2,022	2,697	2,642	2,968	2,826	3,204
Number of inspections conducted	540	1,037	866	900	639	476	615	662	1,136	990
Fire insurance rating	5	5	5	5	5	5	5	5	5	5
Public Services:										
Centerline miles of road maintained:										
City	**	140	140	140	142	223	225	227	227	227
Street resurfacing (miles)	**	**	**	**	**	**	**	**	**	**
Potholes repaired	**	**	**	**	**	**	**	**	**	**
Sanitation:										
Water:										
Service connections	7,831	7,720	7,720	7,720	7,712	8,478	8,470	8,828	8,828	9,078
Water main breaks	**	3	6	6	-	-	-	-	-	-
Average daily consumption (thousands of gallons)	4,000	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	4,060
Number of fire hydrants	860	870	910	935	940	940	948	987	987	989
Sewer:										
Average daily sewage treatment (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Culture and recreation:										
Library:										
Volumes in collection	**	**	**	**	**	**	**	**	**	**
Total volumes borrowed	**	**	**	**	**	**	**	**	**	**
Parks:										
Athletic field permits issued	**	**	**	**	**	**	**	**	**	**

* Totals include Residential and Nonresidential

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

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

Source: City of Ridgeland

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Patrol units	61	62	64	71	70	68	74	75	74	73
Fire:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Public services:										
Street miles	162	162	162	162	164	233	239	230	230	230
Street lights	1,200	1,200	1,200	1,248	1,250	1,320	1,325	1,325	1,325	1,327
Traffic signals	40	42	42	42	42	42	44	49	49	50
Sanitation:										
Water:										
Water mains (miles)	150	155	165	165	166	166	175	200	200	200
Storage capacity (thousands of gallons)	2,800	2,800	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Sewer:										
Sanitary sewers (miles)	180	180	190	190	191	191	195	220	220	220
Storm sewers (miles)	150	150	150	150	150	150	155	155	155	155
Treatment capacity (thousands of gallons)	*	*	*	*	*	*	*	*	*	*
Refuse collection:										
Collection trucks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Park acreage	250	250	250	250	250	250	250	250	250	250
Golf courses	-	-	-	-	-	-	-	-	-	-
Community centers	1	1	1	1	1	1	1	1	1	1
Recreational trail miles	**	7	7	7	7	7	17	18	18	18

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

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

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

Source: City of Ridgeland

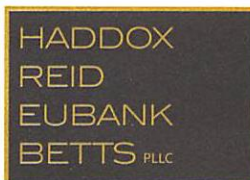
CITY OF RIDGELAND, MISSISSIPPI

TABLE 25

MISCELLANEOUS STATISTICS

Date of incorporation	1899	Average selling price of homes	\$ 176,700
Form of government	Mayor/Aldermen	Median income - household	55,647
Population (estimated census)	24,483		
Area in square miles	21	Major highways	1
Number of employees (excluding police and fire):			
Classified	88	Railroads	Canadian Nt. - Illinois Central
Exempt	27		
City of Ridgeland facilities and services:		Nearest commercial airport:	Jackson International, 18 miles
Culture and recreation:			Runway length 8,500 feet
Ballfields	11		
Tennis courts	17	Nearest general airport:	Bruce Campbell Field, 3 miles
Soccer fields	8		Runway length 4,444 feet
Police protection:			
Number of sworn officers	81	Nearest full-service port:	Port of Vicksburg, 55 miles
Number of residents per sworn officer	302.26		Name of waterway - Mississippi River
Water system:			
Maximum capacity in gallons per minutes	6,166		
Other statistics:			
Percentage of population (>25 yrs.) with at least:			
High school diploma	92.9%		
Bachelor's degree	50.4%		

Source: City of Ridgeland
U.S. Census Bureau



CPAs & Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements, and have issued our report thereon dated March 21, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi
March 21, 2018

CITY OF RIDGELAND, MISSISSIPPI

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2017**

(1) SUMMARY OF AUDIT RESULTS

Financial Statements:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Ridgeland, Mississippi were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the City of Ridgeland, Mississippi, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

(2) FINDINGS - FINANCIAL STATEMENT AUDIT

None.

CITY OF RIDGELAND, MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2017**

FINDING - FINANCIAL STATEMENT AUDIT

Material Weakness:

2016-001 Financial Statement Adjustment and Disclosure

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

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

Current Status: The recommendation was adopted in 2017. No similar findings were noted in 2017.

STATE COMPLIANCE SECTION



CPAs & Advisors

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgeland, Mississippi as of and for the year ended September 30, 2017, which collectively comprise the City of Ridgeland, Mississippi's basic financial statements and have issued our report thereon dated March 21, 2018. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

This report is intended solely for the information of the City's management, Board of Aldermen, Federal awarding agencies and pass-through entities, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi
March 21, 2018