# CITY OF GAUTIER, MISSISSIPPI
## BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2012

| | General Fund | MS Development Katrina Loan Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 505,065 | - | 626,247 | 1,131,313 |
| Receivables, net | 375,676 | - | | 375,676 |
| Due From (To) | 450 | | (450) | |
| Total current assets | 881,192 | - | 625,797 | 1,506,989 |
| Noncurrent assets: | | | | |
| Restricted cash | - | 2,569,532 | - | 2,569,532 |
| Total assets | $ 881,192 | 2,569,532 | 625,797 | 4,076,521 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 16,340 | - | | 16,340 |
| Other accrued liabilities | 175,481 | - | | 175,481 |
| Compensated absences, Current | 77,847 | - | | 77,847 |
| Total liabilities | 269,668 | - | | 269,668 |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Debt service | - | 2,569,532 | - | 2569,532 |
| Unreserved: | | | | |
| General fund | 611,524 | - | 625,797 | 1,237,321 |
| Special revenue funds | - | - | - | - |
| Total fund balances | 611,524 | 2,569,532 | 625,797 | 3,806,853 |
| Total liabilities and fund balances | $ 881,192 | 2,569,532 | 625,797 | 4,076,521 |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
September 30, 2012

| | | |
|---|---|---|
| **Total governmental funds balance** | | $ 3,806,853 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Governmental capital assets | $ 18,230,627 | |
| Less: accumulated depreciation | ( 4,345,304) | 13,885,323 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Bonds and notes | | ( 9,229,340) |
| Compensated absences | | (231,263) |
| Net assets of governmental activities | | **$ 8,231,573** |

The notes to the financial statements are an integral part of this statement.

# CITY OF GAUTIER, MISSISSIPPI
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | General Fund | MS Development Katrina Loan Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Property taxes | $ 3,817,396 | - | 110,974 | 3,928,370 |
| Franchise fees | 157,727 | - | - | 157,727 |
| Fees and fines | 1,039,129 | - | - | 1,039,129 |
| Licenses and permits | 63,507 | - | - | 63,507 |
| Intergovernmental | 2,840,097 | - | 96,785 | 2,936,882 |
| Interest income | 2,413 | 3,648 | | 6,061 |
| Grants | 2,137,460 | 124,594 | 118,882 | 2,380,936 |
| Miscellaneous | 403,964 | 500 | 212,137 | 616,601 |
| Total revenues | 10,461,692 | 128,743 | 538,778 | 11,129,213 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 2,253,192 | 3,053 | | 2,256,244 |
| Public safety | 5,165,860 | - | 5,095 | 5,170,955 |
| Public works | 1,175,896 | - | 26,100 | 1,201,996 |
| Culture and recreation | 75,367 | - | 109,075 | 184,442 |
| Debt service: | | | | |
| Interest and fiscal charges | 759,120 | 280,898 | - | 1,040,017 |
| Capital outlay | 2,210,147 | 1,606,968 | 185,293 | 4,002,409 |
| Total expenditures | 11,639,581 | 1,890,919 | 325,563 | 13,856,063 |
| Excess of revenues over (under) expenditures | (1,177,889) | ( 1,762,176) | 213,215 | (2,726,850) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in (out) | 895,028 | 155,898 | (300,926) | 750,000 |
| Total other financing sources (uses) | 895,028 | 155,898 | (300,926) | 750,000 |
| Net changes in fund balances | ( 282,860) | (1,606,278) | ( 87,711) | ( 1,976,850) |
| Fund balance - beginning of year | 894,383 | 4,175,810 | 713,508 | 5,783,702 |
| Rounding adjustments | 1 | | | 1 |
| Fund balance - end of year | $ 611,524 | 2,569,532 | 625,797 | 3,806,853 |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

| | |
|---|---|
| **Net change in fund balances - total governmental funds** | **$ (1,976,850)** |

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 allocated over their estimated useful lives and reported as depreciation expense. Also, transfers out are not recorded.

| | | |
|---|---|---|
| Capital outlay | $4,002,409 | |
| Depreciation | (892,626) | |
| Excess of depreciation expense over capital outlay | | 3,109,783 |

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

| | |
|---|---|
| Transfers | (750,000) |
| Net Adjustments for compensated absences | 362 |
| Principal paid on debt | 667,203 |
| Adjustment in Court Fines Receivable | (209,112) |
| | 126,677 |

| | |
|---|---|
| Changes in net assets of governmental activities | **$ 841,386** |

The notes to the financial statements are an integral part of this statement.

# PROPRIETARY FUNDS FINANCIAL STATEMENTS

# CITY OF GAUTIER, MISSISSIPPI
## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
September 30, 2012

| | Water and Sewer Fund | Solid Waste Fund | Total Proprietary Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 1,924,672 | 49,436 | 1,974,108 |
| Accounts receivable, net | 540,421 | - | 540,421 |
| Due from other Funds | | 68,968 | 68,968 |
| Total current assets | 2,465,093 | 118,404 | 2,583,497 |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | 1,330,819 | - | 1,330,819 |
| Capital assets: | | | |
| Land | 1,188,570 | - | 1,188,570 |
| Other capital assets, net of accumulated depreciation | 30,453,634 | 27,330 | 30,480,964 |
| Total noncurrent assets | 32,973,023 | 27,330 | 33,000,353 |
| Total assets | 35,438,116 | 145,734 | 35,583,850 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | 10,249 | | 10,249 |
| Due to Other Funds | 68,968 | | 68,968 |
| Compensated absences payable | 10,399 | | 10,399 |
| Bonds and notes payable | 1,716,338 | - | 1,716,338 |
| Payable from restricted assets: | | | |
| Customer deposits | 543,570 | - | 543,570 |
| Total current liabilities | 2,349,524 | - | 2,349,524 |
| Noncurrent liabilities: | | | |
| Compensated absences | 23,959 | - | 23,959 |
| Bonds and notes payable | 14,022,849 | - | 14,022,849 |
| Total noncurrent liabilities | 14,046,808 | - | 14,046,808 |
| Total liabilities | 16,396,332 | - | 16,396,332 |
| **NET ASSETS** | | | |
| Invested in capital assets, net of related debt | 15,903,017 | 27,330 | 15,930,347 |
| Restricted: | | | |
| Debt service | 484,258 | - | 484,258 |
| Bond contingency fund | 846,561 | - | 846,561 |
| Unrestricted | 1,807,948 | 118,404 | 1,926,353 |
| Total net assets | $ 19,041,784 | 145,734 | 19,187,519 |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

| | Water and Sewer Fund | Solid Waste Fund | Total Proprietary Funds |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for services | $ 5,729,636 | 1,299,704 | 7,029,340 |
| Grants | 185,965 | - | 185,965 |
| Other | 469,925 | - | 469,925 |
| Total operating revenues | 6,385,525 | 1,299,704 | 7,685,229 |
| **OPERATING EXPENSES** | | | |
| Personnel services | 1,011,069 | 37,978 | 1,049,588 |
| Wastewater treatment | 1,206,456 | - | 1,206,456 |
| Waste collections and disposals | - | 1,352,472 | 1,352,472 |
| Utilities | 181,517 | - | 181,517 |
| Supplies | 188,267 | - | 188,267 |
| Maintenance and repairs | 77,008 | 5,227 | 82,235 |
| Depreciation | 653,337 | 924 | 654,261 |
| Other services and charges | 596,737 | 12,580 | 609,317 |
| Total operating expenses | 3,914,931 | 1,409,181 | 5,324,112 |
| Operating income (loss) | 2,470,594 | ( 109,477) | 2,361,117 |
| **NONOPERATING REVENUES (EXPENSES)** | | | |
| Interest income | 3,152 | - | 3,152 |
| Interest expense | (523,343) | - | (523,343) |
| Total nonoperating revenues (expenses) | (520,191) | - | (520,191) |
| Changes in net assets | 1,950,403 | ( 109,477) | 1,840,926 |
| Transfer In (Out) | (750,000) | | (750,000) |
| Total net assets - beginning of year | 17,841,381 | 255,211 | 18,096,592 |
| Rounding Adjustment | | | 1 |
| Total net assets - end of year | $19,041,784 | 145,734 | 19,187,519 |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSSETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
September 30, 2012

| | |
|---|---|
| **Total Proprietary Fund net assets** | **$19,187,519** |
| Differences in Interfund Balances | 0 |
| Net assets of proprietary activities on government-wide statement of net assets | **$19,187,519** |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

| | Water and Sewer Fund | Solid Waste Fund | Total Proprietary Funds |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Cash received from customers | $ 5,863,515 | 1,230,736 | 7,094,251 |
| Cash received from grants | 185,965 | - | 185,965 |
| Payments for goods and services | (2,393,074) | (1,266,066) | (3,659,140) |
| Payments to employees | ( 977,251) | ( 37,978) | (1,015,229) |
| Other receipts | 733,719 | - | 733,719 |
| Net cash provided (used) in operating Activities | 3,412,874 | ( 73,308) | 3,339,566 |
| **Cash flows from noncapital financing activities:** | | | |
| Transfers effecting cash balances | (750,000) | - | ( 750,000) |
| Net cash provided (used) by noncapital financing activities | (750,000) | - | ( 750,000) |
| Cash flows from capital and related financing activities: | | | |
| Increase in Capital Debt | 474,000 | - | 474,000 |
| Purchase and construction of capital assets | ( 269,911) | - | ( 416,825) |
| Principal paid on capital debt | (1,785,960) | - | (1,363,880) |
| Interest paid on capital debt | (523,343) | - | (712,240) |
| Bond Refinancing Costs | (222,577) | - | (222,577) |
| Net cash used in capital and related financing Activities | (2,327,791) | - | (2,327,791) |
| **Cash flows from investing activities:** | | | |
| Cash from Bond Refinancing | 195,776 | - | 195,776 |
| Interest received | 3,152 | - | 3,152 |
| Net cash provided by investing activities | 198,928 | - | 198,928 |
| Net change in cash and cash equivalents | 534,011 | ( 73,308) | 460,703 |
| Cash and cash equivalents: | | | |
| Beginning of the year | 1,390,661 | 122,744 | 1,513,405 |
| End of the year | $1,924,672 | 49,436 | 1,974,108 |

The notes to the financial statements are an integral part of this statement.

**CITY OF GAUTIER, MISSISSIPPI**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

| | Water and Sewer Fund | Solid Waste Fund | Total |
|---|---|---|---|
| **Reconciliation of operating income (loss) to net cash provided by (used in) operating activities** | | | |
| Operating income (loss) | $ 2,470,594 | (109,477) | 2,361,117 |
| Adjustments to reconcile operating (income) loss to net cash | | | |
| Depreciation expense | 653,337 | 924 | 654,261 |
| Increase (Decrease) in current assets: | | | |
| Accounts receivable & prepaids | 155,086 | 35,245 | 190,331 |
| (Increase) Decrease in current liabilities: | | | |
| Accounts payable | 123,988 | | 123,988 |
| Other liabilities | 9,869 | - | 9,869 |
| Net cash provided by (used in) operating Activities | $ 3,412,874 | ( 73,308) | 3,339,566 |

The notes to the financial statements are an integral part of this statement.