

CITY OF CLINTON, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

Russell Wall, City Clerk
Post Office Box 156
Clinton, Mississippi 39060

CITY OF CLINTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i-iv
List of Principal Officials	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1-2
REQUIRED SUPPLEMENTARY INFORMATION Management's Discussion and Analysis	3-10
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	11-12
Statement of Activities	13-14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15-16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	17-18
Statement of Net Assets – Proprietary Funds	19-22
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	23-25
Statement of Cash Flows – Proprietary Funds	26-28
Statement of Fiduciary Net Assets	29
Statement of Changes in Fiduciary Net Assets	30
Notes to the Basic Financial Statements	31-69
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	70-72
Note to Budgetary Comparison Schedule – General Fund	73

CITY OF CLINTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS - CONTINUED

	<u>PAGE</u>
OTHER SUPPLEMENTARY INFORMATION	
Combining Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	75-76
Combining Balance Sheet – Nonmajor Special Revenue Funds	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	78
Combining Balance Sheet – Nonmajor Debt Service Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Debt Service Funds	80-81
Combining Balance Sheet – Nonmajor Capital Projects Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Capital Projects Funds	83
Budgetary Comparison Schedules:	
Tourism Tax Fund	84
Katrina CDBG Grant Fund	85
Special Law Enforcement Fund	86
Clinton Parkway Bond and Interest Fund	87
Hampstead Boulevard Bond and Interest Fund	88
Quisenberry Library Bond and Interest Fund	89
Tax Increment Financing Bond and Interest Fund – United Artists	90
Tax Increment Financing Bond and Interest Fund – Walmart	91
Tax Increment Financing Bond and Interest Fund – Parkway Center	92
Tax Increment Financing Bond and Interest Fund – Prugon	93
Hampstead Boulevard Construction Project Fund	94
Parks and Recreation Project Fund	95
Northside Corridor Project Fund	96
Library Construction Project Fund	97

CITY OF CLINTON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS - CONTINUED

	<u>PAGE</u>
OTHER SUPPLEMENTARY INFORMATION – Continued	
Other Schedules:	
Schedule of Surety Bonds for Municipal Officials and Other Employees	98
Schedule of Expenditures of Federal Awards	99-100
 <u>STATISTICAL SECTION</u>	
Introduction	101
Net Assets by Component	102
Changes in Net Assets	103-104
Fund Balances, Governmental Funds	105
Changes in Fund Balances, Governmental Funds	106
Assessed Value and Estimated Actual Value of Taxable Property	107
Direct and Overlapping Property Tax Rates	108
Principal Property Tax Payers	109
Property Tax Levies and Collections	110
Ratios of Outstanding Debt by Type	111
Ratio of General Bonded Debt Outstanding	112
Direct and Overlapping Governmental Activities Debt	113
Legal Debt Margin Information	114
Pledged-Revenue Coverage	115
Demographic and Economic Statistics	116
Principal Employers	117
Full-Time Equivalent City Government Employees by Function/Program	118
Operating Indicators by Function/Program	119
Capital Asset Statistics by Function/Program	120

CITY OF CLINTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS - CONTINUED

	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORTS ON COMPLIANCE AND INTERNAL CONTROL</u>	
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>	121-122
Report on Compliance with Requirements Applicable to The Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	123-124
Report on Compliance with State Laws and Regulations	125
Schedule of Findings and Questioned Costs	126-127
Summary Schedule of Prior Audit Findings	128

INTRODUCTORY SECTION

ALDERMEN
Tony Hisaw
Ward One

Tony M. Greer
Ward Two

William O. Barnett
Ward Three

Kathy Peace
Ward Four

City of Clinton

Mississippi

Rosemary Aultman, Mayor

ALDERMEN
Mike Morgan
Ward Five

Mike Cashion
Ward Six

Jehu Brabham
Alderman-At-Large

Russell L. Wall
City Clerk

March 2, 2010

The Honorable Mayor, Honorable Members of the Board of Aldermen, and Citizens of the City of Clinton

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Clinton for the fiscal year ended September 30, 2009. State law requires that all governments publish within thirty days of completion of an audit each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

We maintain that this financial report to the best of our knowledge and belief is complete and reliable in all material respects. This report consists of management's representations concerning the finances of the City of Clinton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clinton has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Clinton's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Clinton's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Tann, Brown & Russ Co, PLLC, a firm of licensed certified public accountants, has audited the City of Clinton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2009 are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2009 are fairly presented in conformity with GAAP. The auditor's report is presented as the first item of the Financial Section of this report.

In addition to the independent audit of the financial statements, a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies is required. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with

special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the CAFR.

All funds and account groups of the City are included in the 2009 CAFR.

We recommend that you carefully read Management's Discussion and Analysis found on pages 3 through 10 in order to have a better understanding of the Basic Financial Statements.

Profile of the City

The City of Clinton, incorporated in 1830, is located in the east-central section of Hinds County. The City is located 8 miles west of Jackson, the capitol city of the state. The City currently occupies 40 square miles and serves a population of approximately 26,313.

The City operates as a code charter municipality. Policy-making and legislature authority are vested in the governing body consisting of the mayor and seven aldermen. The governing body is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing and hiring the government's officers and attorney. Municipal government is comprised of the mayor, who is elected at large, and a board of seven aldermen, six of whom are elected by ward and one of whom is elected at large. The mayor and aldermen serve four-year terms.

The City of Clinton provides a comprehensive range of municipal services to its citizens including public safety, street maintenance, water, sewer, and sanitation services, recreational activities, cultural events and general administration. These services are provided in the context of the broad public policy initiatives as determined by the elected officials of the City.

The annual budget serves as the foundation for the city's financial planning and control. All funds of the City are required to submit requests for appropriation to the City's Chief Financial Officer (CFO) on or before August 1 each year. These requests are used by the CFO as the beginning point for the development of a preliminary budget. The CFO then presents the preliminary budget to the Mayor for further review and the preparation of a proposed budget for review by the Board of Aldermen prior to September 1. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget on or before September 15. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 70 through 73. For all other governmental funds, this comparison is presented on pages 84 through 97.

The City has a tradition of providing quality education to children of its citizens and others seeking quality education. Mississippi College, a private college established in 1826, is the oldest college in Mississippi and the second oldest Baptist College in the United States. Mississippi College offers its 4,900 students' with more than 80 areas of study, 12 graduate degree programs, a doctor of jurisprudence degree, and a doctor of education leadership degree. Clinton's children are educated by the Clinton Public School District (CPSD), which educates approximately 4,635 students with 320 licensed teachers through its seven public schools (four elementary schools, two middle schools and one high school). CPSD has an annual budget of \$44.1 million for 2009. Additional

quality education is provided by Mt. Salus Christian School and Clinton Christian Academy, both private schools, which offers grades K-12.

Factors Affecting Financial Condition

The City currently enjoys a stable economic environment and local indicators point to its continued stability. The City's primary sources of revenue are property taxes and sales taxes. At September 30, 2009 property taxes represented 55 percent of the City's general revenues while sales taxes represented 32 percent. City property owners pay property taxes for city, county and schools totaling \$130.64 per \$1,000 of assessed value. The assessment rate is 10 percent for residential property, 15 percent for other real property and 30 percent for personal property. There is no local income tax.

Long term financial planning. At the beginning of each new term the Mayor and Board of Alderman prepare a strategic plan. This plan includes new infrastructure projects, new buildings, and other miscellaneous capital improvements. During this process financing is discussed and a determination is made whether the projects will be financed through recurring yearly revenues or by the issuance of general obligation bonds. Once the type of financing is decided upon this is integrated in the yearly budget process.

During the budget process in August of each year, every department head is required to prepare a 5 year plan for his/her department. This plan includes new personnel, new buildings and equipment, and any other items the department head deems necessary. A recommendation for financing is made and that recommendation is taken into account when preparing the yearly budget.

Relevant financial policies. The City is required by Section 21-35-25 of the Mississippi Code to make revisions to the budget no later than the July board meeting if it appears at that time that collections of anticipated annual revenues will be less than expected and a deficit is thereby indicated. During the current year General Fund reductions to revenues and other sources were made totaling \$706 thousand dollars. As a consequence reductions of \$289 thousand were made to expenditures. It is anticipated that based on the current economy and the less than expected collections in sales tax and franchise fees another reduction in revenues will be made during fiscal year 2010.

Major initiatives. As 2009 fiscal year came to a close the finishing touches were being put on the Quisenberry Library. This 26,000 square foot glass and stone structure is set well off Northside Drive on approximately 20 wooded acres north of a pond that can be viewed from both the adult and children areas. This building should be ready for occupation in early 2010 and a spring public opening is planned.

In early October of 2009 the City completed plans and received bids for a \$4 million biosolids treatment facility at the Southside Wastewater Treatment facility. This is a "Green Project" that relies in a large part on solar energy to produce exceptional quality Class A Biosolids. This finished product will look like compost and can be used as a soil amendment thus being completely recycled. Fifty percent (50%) of this project is funded with an ARRA (American Recovery and Reinvestment Act) grant provided through the Mississippi Department of Environmental Quality. This project should be completed and in operation in late 2010.

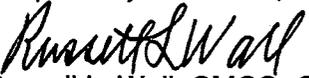
Also, with the assistance of ARRA funds we received bids for a \$2.5 million project to replace approximately 9,000 existing manually read water meters with radio read meters. Accurately and timely reading of this volume of meters on a monthly basis has become an almost impossible task. With the completion of this project the City can expect more accurate readings with a more consistent billing period. This project is expected to be complete by the summer of 2010.

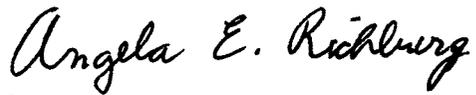
Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clinton for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the finance and administrative departments. We would like to express our appreciation of these departments, as well as other departmental personnel who participated in the development of information contained herein. In addition, credit must be given to the Mayor and Board of Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the city's financial resources.

Respectfully submitted,

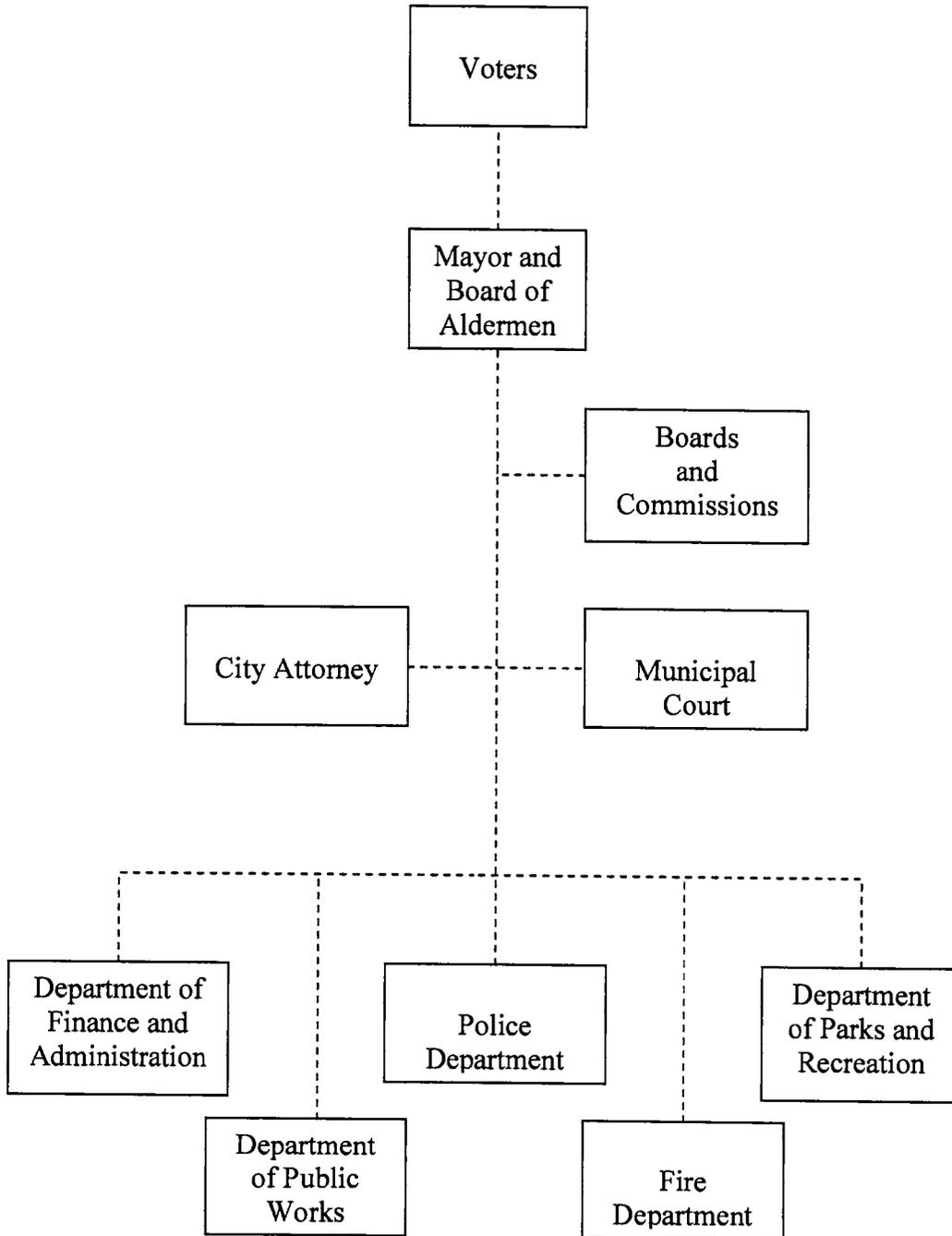

Russell L. Wall, CMCC, CPA
City Clerk and Chief Financial Officer


Angela Richburg, CDMCC
Deputy City Clerk Finance

CITY OF CLINTON
List of Principal Officials
September 30 2009

<u>Title</u>	<u>Name</u>
Mayor	Rosemary Aultman
Alderman at Large	Jehu Brabham
Alderman, Ward 1	Tony Hisaw
Alderman, Ward 2	Tony Greer
Alderman, Ward 3	William O Barnett
Alderwoman, Ward 4	Kathy Peace
Alderman, Ward 5	Mike Morgan
Alderman, Ward 6	Mike Cashion
City Attorney	Ken Dreher
City Engineer	Richard Broome
City Clerk/Chief Financial Officer	Russell Wall
Director of Public Works	Mike Parker
Director of Community Development	Jerry Bounds
Police Chief	Don Byington
Fire Chief	Barry Burnside
Director of Parks and Recreation	Ray Holloway
Director of Economic Development	Jim Powell

CITY OF CLINTON
Organizational Chart
September 30, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clinton
Mississippi

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
MISSISSIPPI SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board of Aldermen
City of Clinton
Clinton, 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 Clinton, Mississippi, as of and for the year ended September 30, 2009, which collectively comprise the City of Clinton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Clinton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Clinton, Mississippi, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 15 to the financial statements, the City of Clinton adopted the provisions of GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" in its fiscal year ended September 30, 2009.

(Continued)

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2010 on our consideration of City of Clinton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 and the Budgetary Comparison Schedule – General Fund on pages 70 through 73 are not required parts of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton's basic financial statements. The introductory section, combining statements, budgetary comparison schedules, other schedules (including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements, budgetary comparison schedules, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

March 2, 2010

Tana, Brown + Rice Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CLINTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The City of Clinton's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the City's financial statements that begin on page 11.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 through 14) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 15 and tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statement by providing information about the City's most significant funds. Fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the total City begins on page 5. One of the most important questions asked about the City's finances is "Is the City, as a whole, in better or worse condition as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities to assist in answering this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All current year's revenues and expenses are taken into account, regardless of when cash is received or spent.

These two statements report the City's net assets and, in addition, the changes which have occurred in them. Think of the City's net assets, the difference between assets (what citizens own) and liabilities (what citizens owe), as one way of measuring the City's financial health, or financial position. Over time, increases and decreases in the City's net assets are an indicator of whether its financial health is improving or worsening. You will need to consider other non-financial factors, however, such as changes in the City's property tax base, sales tax base, and the condition of the City's capital assets (roads, buildings, water and sewer lines, etc.) to determine the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Government activities:** Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, economic development and general administration. Property taxes, sales taxes, licenses and permits, fines, and state and federal grants 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 water and sewer systems and garbage collection are reported here.

CITY OF CLINTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reporting the City's Funds Fund Financial Statements

Our analysis of the City's funds begins on page 7. The fund financial statements begin on page 15 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law. However, the City established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at the end of the year that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily 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 one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

The City maintains two major governmental funds (the General Fund and the Library Construction Project Fund) and thirteen (13) non-major governmental funds. A combination of all governmental funds is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for Governmental Funds. Individual fund data on all governmental funds is provided elsewhere in this report.

The City adopts an annual budget for all of its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary funds: The City maintains two different types of proprietary funds. Enterprise funds, a component of proprietary funds, are used to report the same functions presented as "business-type" activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Operations and Garbage Collections Funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses this type fund for its Self-funded Group Insurance Fund.

Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Operations and Garbage Collection Funds, both of which are considered major funds of the City.

**CITY OF CLINTON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The basic proprietary fund financial statements can be found on pages 19 through 28 of this report.

Fiduciary fund: A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City's only fiduciary fund is the Unemployment Compensation Trust Fund, which is reported on a full accrual basis. Financial statements can be found on pages 29 and 30 of this report.

THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Clinton, assets exceeded liabilities by \$69.0 million, at September 30, 2009.

City of Clinton Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 12,572,900	\$ 18,091,996	\$ 4,939,872	\$ 4,130,919	\$ 17,512,772	\$ 22,222,915
Capital assets	71,192,655	67,818,519	27,806,137	28,762,585	98,998,792	96,581,104
Total assets	83,765,555	85,910,515	32,746,009	32,893,504	116,511,564	118,804,019
Long-term liabilities	21,061,771	22,453,235	14,627,934	15,673,821	35,689,705	38,127,056
Other liabilities	9,401,640	9,336,931	2,468,243	2,254,711	11,869,883	11,591,642
Total liabilities	30,463,411	31,790,166	17,096,177	17,928,532	47,559,588	49,718,698
Net assets:						
Invested in capital assets, net of related debt	52,779,694	53,845,605	12,044,591	12,087,642	64,824,285	65,933,247
Restricted	1,195,455	1,085,690	957,456	872,415	2,152,911	1,958,105
Unrestricted	(673,005)	(810,946)	2,647,785	2,004,915	1,974,780	1,193,969
Total net assets	\$ 53,302,144	\$ 54,120,349	\$ 15,649,832	\$ 14,964,972	\$ 68,951,976	\$ 69,085,321

The largest portion of the City's net assets (94 percent) reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, and water and sewer systems), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the related debt.

**CITY OF CLINTON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

At September 30, 2009 the City has positive balances in all three categories of net assets in business-type activities and in two categories in governmental activities. The decrease in net assets for governmental activities resulted primarily from decreases in revenues from capital grants and contributions, franchise fees, and sales taxes. Also contributing to this net assets decrease for governmental activities were increases in overtime in the Public Works Department, and increases in interest on long term debt. The City's total net assets decreased \$133 thousand during the current fiscal year.

City of Clinton Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 720,059	\$ 862,870	\$ 7,405,292	\$ 7,157,775	\$ 8,125,351	\$ 8,020,645
Operating grants and contributions	415,524	186,256			415,524	186,256
Capital grants and contributions	957,001	2,808,410		267,973	957,001	3,076,383
General revenues:						
Property taxes	7,406,761	6,180,192			7,406,761	6,180,192
Sales taxes	4,279,515	4,431,718			4,279,515	4,431,718
Franchise charges	731,353	791,583			731,353	791,583
Shared grants and revenues	628,045	673,015			628,045	673,015
Other	331,204	139,109	94,625	180,593	425,829	319,702
Total revenues	15,469,462	16,073,153	7,499,917	7,606,341	22,969,379	23,679,494
Expenses:						
General government	1,228,162	1,201,743			1,228,162	1,201,743
Public safety	7,073,641	7,134,969			7,073,641	7,134,969
Public works	4,833,401	4,685,385			4,833,401	4,685,385
Culture and recreation	1,879,882	1,926,502			1,879,882	1,926,502
Economic development	344,131	234,758			344,131	234,758
Interest on long-term debt	928,450	685,012			928,450	685,012
Water and sewer			5,355,904	5,602,549	5,355,904	5,602,549
Garbage			1,459,153	1,372,285	1,459,153	1,372,285
Total expenses	16,287,667	15,868,369	6,815,057	6,974,834	23,102,724	22,843,203
Change in net assets before transfers	(818,205)	204,784	684,860	631,507	(133,345)	836,291
Transfers						
Change in net assets	(818,205)	204,784	684,860	631,507	(133,345)	836,291
Net assets - beginning	54,120,349	53,915,565	14,964,972	14,333,465	69,085,321	68,249,030
Net assets - ending	\$ 53,302,144	\$ 54,120,349	\$ 15,649,832	\$ 14,964,972	\$ 68,951,976	\$ 69,085,321

**CITY OF CLINTON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental activities. Governmental activities decreased the City's net assets by \$818 thousand during the year. Current and other assets decreased by \$5.5 million in 2009. This was offset by capital asset increases of \$3.4 million. The increase in capital assets is primarily due to the capitalization of construction in process costs related to the construction of a public library. Long-term liabilities decreased by \$1.4 million and other liabilities increased by \$65 thousand in 2009. The decrease in 2009 long-term liabilities was primarily due to the repayment of principal on debt.

Business-type activities. Business-type activities increased the City's net assets by \$685 thousand. Current and other assets increases consisted of increases in operating cash and customer accounts receivable. Other liabilities increases consisted of increases in accounts payable and customer deposits.

THE CITY'S FUNDS

The following schedules present a summary of the changes in fund balances and net assets of the City's funds by type.

	Beginning Fund Balance	Increase (Decrease)	Ending Fund Balance
General fund	\$ 1,032,351	\$ (118,880)	\$ 913,471
Special revenue funds	160,920	(28,721)	132,199
Debt service funds	469,920	154,133	624,053
Capital project funds	8,217,203	(5,579,723)	2,637,480
Total governmental funds	<u>\$ 9,880,394</u>	<u>\$ (5,573,191)</u>	<u>\$ 4,307,203</u>
	Beginning Net Assets	Increase (Decrease)	Ending Net Assets
Water and sewer operations fund	\$ 14,238,369	\$ 603,984	\$ 14,842,353
Garbage collection fund	769,852	49,961	819,813
Self-funded group insurance fund	(285,776)	200,171	(85,605)
Total proprietary funds	<u>\$ 14,722,445</u>	<u>\$ 854,116</u>	<u>\$ 15,576,561</u>

The General Fund had a decrease in fund balance primarily due to decreases in revenues from license and permit fees and fines and forfeitures fees. Also contributing to this decrease was increased expenditures in the Police Department for overtime and capital expenditures, in the Fire Department for capital expenditures and in the Public Works Department for overtime.

The Capital Projects Funds had a decrease in fund balance because bond proceeds for the construction of a library were received in the prior year and those proceeds were spent in the current year.

CITY OF CLINTON MANAGEMENT'S DISCUSSION AND ANALYSIS

The Self-Funded Group Insurance Fund is an internal service fund that charges the City's employees and other City funds for the cost of providing health and dental insurance coverage to employees. This fund started the year with negative net assets because the cost of claims incurred in 2008 was higher than expected. The premium rates charged to employees and other City funds are adjusted annually in order to maintain adequate funds for paying claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted funds available were less than original budgeted funds available by \$759 thousand. This decrease resulted principally from the decrease of \$462 thousand in the beginning fund balance available, \$240 thousand in transfers from other funds, and \$53 thousand in ad valorem taxes. Final budgeted expenditures were \$289 thousand less than those originally budgeted. Key elements of this decrease were as follows:

- \$ 60,000 increase in personal services
- \$ 50,000 decrease in operating supplies
- \$ 36,000 increase in other services and charges
- \$257,000 decrease in capital outlay
- \$ 78,000 decrease in debt service

Actual funds available were \$723 thousand less than final budgeted. The majority of this difference consisted of a \$436 thousand decrease in proceeds from leases, \$180 thousand decrease in ad valorem taxes collected, and \$100 thousand decrease in general sales taxes collected.

Actual expenditures were \$616 thousand less than those finally budgeted. The majority of this difference consisted of a \$437 thousand decrease in capital outlay and a \$43 thousand decrease in personal services in the Fire Department, a \$62 thousand decrease in personal services in the Parks and Recreation Department, and a \$40 thousand decrease in personal services in the Police Department.

For additional information, see Required Supplementary Information beginning on page 70.

CAPITAL ASSETS

Governmental activities. The City's investment in net capital assets for its governmental activities amounted to \$71.2 million at September 30, 2009. This investment includes land, buildings, other improvements, equipment and vehicles, infrastructure and construction in progress. Additions during the current year totaled \$7.3 million. Significant increases were:

- \$5.8 million – for construction of a public library
- \$494 thousand – for traffic intersection improvements
- \$409 thousand – for street overlay and striping
- \$261 thousand – for the purchase of various vehicles and equipment
- \$134 thousand – for street and drainage infrastructure

**CITY OF CLINTON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Depreciation expense amounted to \$4.0 million for 2009 and \$3.9 million for 2008. Accumulated depreciation at September 30, 2009 and 2008 was \$ 32.5 million and \$31.0 million, respectively.

Business-type activities. At September 30, 2009, the City's business-type net capital assets amounted to \$27.8 million. This asset grouping includes land, buildings, water and sewer systems, equipment and vehicles and construction in progress. Additions of \$195 thousand were made to construction in process and \$168 thousand were made to equipment and vehicles during 2009. Depreciation expense amounted to \$1.3 million for 2009 and \$1.3 million for 2008. Accumulated depreciation at September 30, 2009 and 2008 was \$18.5 million and \$17.3 million, respectively.

City of Clinton Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 7,306,814	\$ 7,191,164	\$ 177,512	\$ 177,512	\$ 7,484,326	\$ 7,368,676
Buildings	6,821,985	7,038,105	197,450	208,400	7,019,435	7,246,505
Other improvements	5,331,546	5,825,027			5,331,546	5,825,027
Water and sewer systems and improvements			25,912,871	27,059,950	25,912,871	27,059,950
Certificate of authority			800,000	800,000	800,000	800,000
Equipment and vehicles	1,207,626	1,355,990	516,689	510,508	1,724,315	1,866,498
Infrastructure	43,701,311	45,312,807			43,701,311	45,312,807
Construction in progress	6,823,373	1,095,426	201,615	6,215	7,024,988	1,101,641
Total	\$ 71,192,655	\$ 67,818,519	\$ 27,806,137	\$ 28,762,585	\$ 98,998,792	\$ 96,581,104

For additional information, see Note 5 to the Basic Financial Statements.

DEBT ADMINISTRATION

Governmental activities. At the end of the current fiscal year, long-term debt associated with the City's governmental activities totaled \$21.4 million. This account classification includes general obligation bonds, tax increment limited obligation bonds, notes payable and capital lease obligations. During the current fiscal year, the City's total governmental activities debt decreased by \$1.17 million. This decrease was due primarily to \$1.36 million in payment of long term debt offset by \$187 thousand increase for capital lease obligations. Payments of principal and interest due within one year total \$2.3 million.

Business-type activities. Long-term debt associated with the City's business-type activities totaled \$15.8 million at September 30, 2009. This account classification includes general obligation bonds, revenue bonds, notes payable and capital lease obligations. The major portion of this debt is associated with the City's wastewater treatment facility. During the year ended September 30, 2009, debt associated with the City's business-type activities decreased

**CITY OF CLINTON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

by \$1.02 million. This decrease was due primarily to the \$1.2 million in payment of the long term debt offset by a \$190 thousand note payable for a wastewater treatment project. Payments of principal and interest due within one year total \$1.7 million.

For additional information, see Note 8 to the Basic Financial Statements.

City of Clinton						
General Obligation and Revenue Bonds and Other Loans						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 11,423,829	\$ 12,054,092	\$ 1,421,171	\$ 1,610,908	\$ 12,845,000	\$ 13,665,000
Revenue bonds			563,395	654,246	563,395	654,246
Tax increment limited obligation bonds	1,705,500	1,841,000			1,705,500	1,841,000
Notes payable	7,633,026	7,973,665	13,691,741	14,371,561	21,324,767	22,345,226
Capital lease obligations	683,292	746,743	165,345	229,294	848,637	976,037
Total	\$ 21,445,647	\$ 22,615,500	\$ 15,841,652	\$ 16,866,009	\$ 37,287,299	\$ 39,481,509

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Major revenue sources are expected to decrease during the next fiscal year. Expenditures are expected to increase, with increased costs resulting from gas and oil, repairs and maintenance, utilities, and supplies expenses. Inflationary trends in the region are expected to compare favorably to national indices. All these factors were considered in preparing the City's budgets for 2010.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives and spends. If you have questions about this report or need additional information, you may contact the City Clerk, Post Office Box 156, Clinton, MS 39060.

BASIC FINANCIAL STATEMENTS

CITY OF CLINTON

STATEMENT OF NET ASSETS
September 30, 2009

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,403,016	\$ 1,963,741	\$ 6,366,757
Receivables	7,833,597	1,174,453	9,008,050
Internal balances	(58,919)	58,919	-
Restricted assets:			
Cash and cash equivalents	-	1,397,789	1,397,789
Investments	-	264,864	264,864
Deferred charges, net of amortization	395,206	80,106	475,312
Capital assets:			
Capital assets not being depreciated	14,130,187	1,179,127	15,309,314
Other capital assets, net of depreciation	<u>57,062,468</u>	<u>26,627,010</u>	<u>83,689,478</u>
 Total Assets	 <u>83,765,555</u>	 <u>32,746,009</u>	 <u>116,511,564</u>
<u>LIABILITIES</u>			
Accounts payable	1,219,372	434,184	1,653,556
Accrued interest payable	240,022	46,981	287,003
Claims liability	125,025	-	125,025
Unearned revenue	6,085,653	-	6,085,653
Customer deposits	-	688,256	688,256
Long-term debt:			
Due within one year	1,426,568	1,248,822	2,675,390
Due in more than one year	20,019,079	14,592,830	34,611,909
Compensated absences payable:			
Due within one year	305,000	50,000	355,000
Due in more than one year	255,371	35,104	290,475
Net pension obligation:			
Due in more than one year	<u>787,321</u>	<u>-</u>	<u>787,321</u>
 Total Liabilities	 <u>30,463,411</u>	 <u>17,096,177</u>	 <u>47,559,588</u>

(Continued)

CITY OF CLINTON

STATEMENT OF NET ASSETS - CONTINUED

September 30, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	52,779,694	12,044,591	64,824,285
Restricted for:			
Capital projects	-	705,560	705,560
Debt service	1,063,256	251,896	1,315,152
Economic development (restricted by enabling legislation)	132,199	-	132,199
Unrestricted	<u>(673,005)</u>	<u>2,647,785</u>	<u>1,974,780</u>
Total Net Assets	<u>\$ 53,302,144</u>	<u>\$ 15,649,832</u>	<u>\$ 68,951,976</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON

STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Grants and Contributions Operating	Contributions Capital	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,228,162	\$ 43,106	\$ -	\$ -	\$ (1,185,056)	\$ -	\$ (1,185,056)
Public safety	7,073,641	606,184	201,943	124,052	(6,141,462)	-	(6,141,462)
Public works	4,833,401	-	213,485	824,599	(3,795,317)	-	(3,795,317)
Culture and recreation	1,879,882	70,769	-	8,350	(1,800,763)	-	(1,800,763)
Economic development	344,131	-	96	-	(344,035)	-	(344,035)
Interest and fiscal charges on long-term debt	928,450	-	-	-	(928,450)	-	(928,450)
Total governmental activities	16,287,667	720,059	415,524	957,001	(14,195,083)	-	(14,195,083)
Business-Type Activities:							
Water	2,346,405	3,241,835	-	-	-	895,430	895,430
Sewer	3,009,499	2,672,842	-	-	-	(336,657)	(336,657)
Garbage collection	1,459,153	1,490,615	-	-	-	31,462	31,462
Total business-type activities	6,815,057	7,405,292	-	-	-	590,235	590,235
Total	\$ 23,102,724	\$ 8,125,351	\$ 415,524	\$ 957,001	(14,195,083)	590,235	(13,604,848)

(Continued)

CITY OF CLINTON

STATEMENT OF ACTIVITIES - CONTINUED

Year Ended September 30, 2009

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property taxes	7,406,761	-	7,406,761
Local sales tax	125,381	-	125,381
Franchise charges based on gross receipts	731,354	-	731,354
Grants and contributions not restricted to specific programs:			
State grants and shared revenues	4,685,473	-	4,685,473
County shared revenues	96,706	-	96,706
Interest	237,136	94,625	331,761
Miscellaneous	94,067	-	94,067
Total General Revenues	<u>13,376,878</u>	<u>94,625</u>	<u>13,471,503</u>
Change in Net Assets	(818,205)	684,860	(133,345)
Net Assets - Beginning (as restated, see Note 15)	<u>54,120,349</u>	<u>14,964,972</u>	<u>69,085,321</u>
Net Assets - Ending	<u>\$ 53,302,144</u>	<u>\$ 15,649,832</u>	<u>\$ 68,951,976</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Library Construction Project Fund	Non-Major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Assets:				
Cash and cash equivalents	\$ 554,659	\$ 2,615,656	\$ 1,230,163	\$ 4,400,478
Receivables:				
Property taxes	5,166,265	-	1,000,882	6,167,147
Sales and tourism tax	641,680	-	16,244	657,924
City utilities tax	9,029	-	-	9,029
Franchise charges	192,311	-	-	192,311
Federal grants	34,951	-	217,137	252,088
Special assessments	-	-	513,712	513,712
Other	4,504	-	-	4,504
Due from other funds	1,765	-	17,728	19,493
Total Assets	<u>\$ 6,605,164</u>	<u>\$ 2,615,656</u>	<u>\$ 2,995,866</u>	<u>\$ 12,216,686</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 573,144	\$ 584,428	\$ 26,691	\$ 1,184,263
Deferred revenue:				
Unearned property taxes	5,055,272	-	978,038	6,033,310
Unearned federal grants	-	-	52,343	52,343
Unavailable special assessments	-	-	513,712	513,712
Due to other funds	28,168	-	62,578	90,746
Due to other governments	35,109	-	-	35,109
Total Liabilities	<u>5,691,693</u>	<u>584,428</u>	<u>1,633,362</u>	<u>7,909,483</u>
 Fund balances:				
Unreserved, reported in:				
General fund	913,471	-	-	913,471
Special revenue funds	-	-	132,199	132,199
Debt service funds	-	-	624,053	624,053
Capital projects funds	-	2,031,228	606,252	2,637,480
Total Fund Balances	<u>913,471</u>	<u>2,031,228</u>	<u>1,362,504</u>	<u>4,307,203</u>
 Total Liabilities and Fund Balances	 <u>\$ 6,605,164</u>	 <u>\$ 2,615,656</u>	 <u>\$ 2,995,866</u>	 <u>\$ 12,216,686</u>

(Continued)

CITY OF CLINTON

BALANCE SHEET - GOVERNMENTAL FUNDS - CONTINUED
September 30, 2009

Reconciliation of Governmental Fund Balances to Net Assets
of Governmental Activities:

Total Governmental Fund Balances	\$ 4,307,203
Differences:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,192,655
Deferred charges are not financial resources and therefore are not reported in the funds.	395,206
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	513,712
Interest is not recorded as an expenditure in the funds until the payment date.	(240,022)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(22,793,339)
The internal service fund's net assets (deficit) is included in the governmental activities to the extent attributable to governmental activities, but the internal service fund is not classified as a governmental fund.	<u>(73,271)</u>
Net Assets - Governmental Activities	<u>\$ 53,302,144</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2009

	General Fund	Library Construction Project Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 6,145,276	\$ -	\$ 1,261,486	\$ 7,406,762
Licenses and permits	833,155	-	-	833,155
Intergovernmental	5,810,785	-	442,457	6,253,242
Charges for services	67,010	-	20,564	87,574
Fines and forfeitures	519,902	-	1,350	521,252
Special assessments	-	-	27,037	27,037
Interest	36,247	153,895	46,993	237,135
Contributions	22,614	-	4,230	26,844
Miscellaneous	190,855	73,366	-	264,221
Total Revenues	<u>13,625,844</u>	<u>227,261</u>	<u>1,804,117</u>	<u>15,657,222</u>
Expenditures:				
Current:				
General government	1,315,339	-	14,211	1,329,550
Public safety	6,904,713	-	38,579	6,943,292
Public works	1,843,458	-	-	1,843,458
Culture and recreation	1,195,493	-	83,824	1,279,317
Economic development	249,020	-	96,571	345,591
Debt service	931,063	-	1,373,468	2,304,531
Capital outlay	1,345,211	5,756,234	270,486	7,371,931
Total Expenditures	<u>13,784,297</u>	<u>5,756,234</u>	<u>1,877,139</u>	<u>21,417,670</u>
Excess of Expenditures Over Revenues	<u>(158,453)</u>	<u>(5,528,973)</u>	<u>(73,022)</u>	<u>(5,760,448)</u>
Other Financing Sources (Uses):				
Capital leases	187,257	-	-	187,257
Transfers in	-	-	179,256	179,256
Transfers out	(147,684)	-	(31,572)	(179,256)
Total Other Financing Sources (Uses)	<u>39,573</u>	<u>-</u>	<u>147,684</u>	<u>187,257</u>
Net Change in Fund Balances	(118,880)	(5,528,973)	74,662	(5,573,191)
Fund Balances - Beginning	<u>1,032,351</u>	<u>7,560,201</u>	<u>1,287,842</u>	<u>9,880,394</u>
Fund Balances - Ending	<u>\$ 913,471</u>	<u>\$ 2,031,228</u>	<u>\$ 1,362,504</u>	<u>\$ 4,307,203</u>

(Continued)

CITY OF CLINTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS - CONTINUED
 Year Ended September 30, 2009

Reconciliation of Governmental Funds Change in Fund Balances To
 Governmental Activities Change in Net Assets:

Net Change in Fund Balances - Total Governmental Funds	\$ (5,573,191)
Differences:	
Governmental funds report capital asset purchases as expenditures.	7,371,931
Governmental activities report depreciation expense to allocate the cost of capital assets over the life of the assets.	(3,997,796)
Governmental funds do not report revenue related to long-term receivables until collected because they do not provide current financial resources.	(27,037)
Governmental funds report debt issuances as other financing sources and report debt issue costs and principal payments on the debt as expenditures, while governmental activities report debt issuances and payments as increases (decreases) in liabilities and amortize debt issue costs over the term of the debt.	1,139,676
Governmental funds report interest, compensated absences, and pension costs as expenditures when paid while governmental activities report these costs as expenses when incurred.	98,956
The internal service fund is not classified as a governmental fund but is included in governmental activities to the extent that it is attributable to governmental activities.	<u>169,256</u>
Change in Net Assets - Governmental Activities	<u>\$ (818,205)</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,442,703	\$ 521,038	\$ 1,963,741	\$ 2,538
Receivables:				
Accounts	908,662	-	908,662	-
Federal assistance	190,400	-	190,400	-
Special assessments	3,990	-	3,990	-
Claim refunds and reinsurance	-	-	-	36,882
Due from other funds	71,253	125,801	197,054	-
Restricted cash and cash equivalents:				
Customer deposits account	688,256	-	688,256	-
Revenue bond and interest account	65,941	-	65,941	-
 Total Current Assets	 <u>3,371,205</u>	 <u>646,839</u>	 <u>4,018,044</u>	 <u>39,420</u>

(Continued)

CITY OF CLINTON
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
Noncurrent Assets:				
Restricted cash and cash equivalents:				
Construction account	643,592	-	643,592	-
Restricted investments:				
Revenue bond and interest account	202,896	-	202,896	-
Construction account	61,968	-	61,968	-
Receivable:				
Special assessments (net of current portion)	71,401	-	71,401	-
Deferred charges:				
Loan and bond issue costs	80,106	-	80,106	-
	<u>1,059,963</u>	<u>-</u>	<u>1,059,963</u>	<u>-</u>
Capital Assets:				
Water and sewer systems and other improvements	42,585,110	-	42,585,110	-
Land	177,512	-	177,512	-
Buildings	272,380	-	272,380	-
Equipment and vehicles	1,728,972	514,949	2,243,921	-
Construction in progress	201,615	-	201,615	-
Certificate of authority	800,000	-	800,000	-
	45,765,589	514,949	46,280,538	-
Less accumulated depreciation	<u>(18,291,999)</u>	<u>(182,402)</u>	<u>(18,474,401)</u>	<u>-</u>
Capital Assets (net)	<u>27,473,590</u>	<u>332,547</u>	<u>27,806,137</u>	<u>-</u>
Total Noncurrent Assets	<u>28,533,553</u>	<u>332,547</u>	<u>28,866,100</u>	<u>-</u>
Total Assets	<u>31,904,758</u>	<u>979,386</u>	<u>32,884,144</u>	<u>39,420</u>

(Continued)

CITY OF CLINTON
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
LIABILITIES				
Current Liabilities:				
Accounts payable	317,092	117,092	434,184	-
Claims liability	-	-	-	125,025
Accrued interest payable	29,965	75	30,040	-
Due to other funds	125,801	-	125,801	-
Compensated absences payable - current	50,000	-	50,000	-
Notes payable - current	896,384	-	896,384	-
Capital leases payable - current	26,680	19,888	46,568	-
General obligation bonds payable - current	200,870	-	200,870	-
Current Liabilities Payable from Restricted Assets:				
Accrued interest payable - revenue bonds	16,941	-	16,941	-
Revenue bonds payable - current	105,000	-	105,000	-
Customer deposits payable	688,256	-	688,256	-
Total Current Liabilities	2,456,989	137,055	2,594,044	125,025
Noncurrent Liabilities:				
Compensated absences payable	35,104	-	35,104	-
Capital leases payable	96,259	22,518	118,777	-
Revenue bonds payable	458,395	-	458,395	-
General obligation bonds payable	1,220,301	-	1,220,301	-
Notes payable	12,795,357	-	12,795,357	-
Total Noncurrent Liabilities	14,605,416	22,518	14,627,934	-
Total Liabilities	17,062,405	159,573	17,221,978	125,025

(Continued)

CITY OF CLINTON
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	11,754,450	290,141	12,044,591	-
Restricted for:				
Capital projects	705,560	-	705,560	-
Debt service	251,896	-	251,896	-
Unrestricted (deficit)	<u>2,130,447</u>	<u>529,672</u>	<u>2,660,119</u>	<u>(85,605)</u>
 Total Net Assets (Deficit)	 <u>\$ 14,842,353</u>	 <u>\$ 819,813</u>	 <u>\$ 15,662,166</u>	 <u>\$ (85,605)</u>

Reconciliation of Enterprise Funds Net Assets to Business-Type Activities Net Assets:

Total Enterprise Funds Net Assets	\$ 15,662,166
Difference:	
The internal service fund's net assets (deficit) is included in business-type activities to the extent attributable to business-type activities.	<u>(12,334)</u>
Net Assets - Business-Type Activities	<u>\$ 15,649,832</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
Year Ended September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
Operating Revenues:				
Charges For services:				
Water sales	\$ 2,895,624	\$ -	\$ 2,895,624	\$ -
Sewer service charges	2,634,166	-	2,634,166	-
Other services	297,810	-	297,810	-
Refuse collection charges	-	1,490,615	1,490,615	-
Rents	81,399	-	81,399	-
Premiums	-	-	-	1,216,178
	<u>5,908,999</u>	<u>1,490,615</u>	<u>7,399,614</u>	<u>1,216,178</u>
Total Operating Revenues				
Operating Expenses:				
Salaries	1,180,125	-	1,180,125	-
Employee benefits	409,779	-	409,779	-
Insurance	18,430	592	19,022	210,759
Claims expense	-	-	-	747,034
Office supplies	4,701	-	4,701	-
Operating supplies:				
Gas and oil	60,617	16,633	77,250	-
Other	52,379	-	52,379	-
Outside services	608,171	1,340,141	1,948,312	58,689
Repairs and maintenance	539,163	34,397	573,560	-
Telephone	12,632	-	12,632	-
Postage	33,568	-	33,568	-
Printing	5,065	-	5,065	-
Utilities	514,385	-	514,385	-
Rentals	17,052	-	17,052	-
Depreciation	1,256,303	43,154	1,299,457	-

(Continued)

CITY OF CLINTON
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS - CONTINUED
Year Ended September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
Operating Expenses (Continued):				
Amortization	10,959	-	10,959	-
Pro rata overhead to General Fund	144,000	-	144,000	-
Other	<u>4,335</u>	<u>989</u>	<u>5,324</u>	<u>-</u>
 Total Operating Expenses	 <u>4,871,664</u>	 <u>1,435,906</u>	 <u>6,307,570</u>	 <u>1,016,482</u>
 Operating Income	 <u>1,037,335</u>	 <u>54,709</u>	 <u>1,092,044</u>	 <u>199,696</u>
Nonoperating Revenues (Expenses):				
Interest income	76,124	18,500	94,624	475
Interest and fiscal charges	(509,475)	(2,178)	(511,653)	-
Loss on capital asset disposal	<u>-</u>	<u>(21,070)</u>	<u>(21,070)</u>	<u>-</u>
 Total Nonoperating Revenues (Expenses), net	 <u>(433,351)</u>	 <u>(4,748)</u>	 <u>(438,099)</u>	 <u>475</u>
 Change in Net Assets	 603,984	 49,961	 653,945	 200,171
Net Assets (Deficit) - Beginning (as restated, see Note 15)	<u>14,238,369</u>	<u>769,852</u>	<u>15,008,221</u>	<u>(285,776)</u>
Net Assets (Deficit) - Ending	<u>\$ 14,842,353</u>	<u>\$ 819,813</u>	<u>\$ 15,662,166</u>	<u>\$ (85,605)</u>

(Continued)

CITY OF CLINTON
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS - CONTINUED
Year Ended September 30, 2009

Reconciliation of Enterprise Funds Change in Net Assets to Business-Type Activities
Change in Net Assets:

Change in Net Assets - Enterprise Funds	\$ 653,945
Difference:	
The internal service fund's change in net assets is included in business-type activities to the extent attributed to business-type activities.	<u>30,915</u>
Change in Net Assets - Business-Type Activities	<u>\$ 684,860</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 5,943,393	\$ 1,489,338	\$ 7,432,731	\$ 240,937
Receipts from interfund services	-	-	-	975,241
Receipts from reinsurance	-	-	-	17,735
Payments to suppliers	(1,738,015)	(1,391,982)	(3,129,997)	(1,104,033)
Payments to employees	(1,434,581)	-	(1,434,581)	-
Payments for interfund services	(288,938)	-	(288,938)	-
Net Cash Provided By Operating Activities	<u>2,481,859</u>	<u>97,356</u>	<u>2,579,215</u>	<u>129,880</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances repaid to other funds	-	-	-	(127,903)
Advances repaid by other funds	103,494	-	103,494	-
Net Cash Provided (Used) By Noncapital Financing Activities	<u>103,494</u>	<u>-</u>	<u>103,494</u>	<u>(127,903)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(245,279)	(118,800)	(364,079)	-
Proceeds from special assessments	18,413	-	18,413	-
Principal paid on revenue bonds	(100,000)	-	(100,000)	-
Principal paid on general obligation bonds	(189,736)	-	(189,736)	-
Principal paid on capital leases	(44,890)	(19,061)	(63,951)	-
Principal paid on notes payable	(870,220)	-	(870,220)	-
Interest and fiscal charges paid on debt	(501,157)	(2,244)	(503,401)	-
Net Cash Used By Capital and Related Financing Activities	<u>(1,932,869)</u>	<u>(140,105)</u>	<u>(2,072,974)</u>	<u>-</u>

(Continued)

CITY OF CLINTON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
Year Ended September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	76,124	18,500	94,624	473
Purchase of investments	<u>(264,864)</u>	<u>-</u>	<u>(264,864)</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities	<u>(188,740)</u>	<u>18,500</u>	<u>(170,240)</u>	<u>473</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	463,744	(24,249)	439,495	2,450
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,376,748</u>	<u>545,287</u>	<u>2,922,035</u>	<u>86</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,840,492</u>	<u>\$ 521,038</u>	<u>\$ 3,361,530</u>	<u>\$ 2,536</u>
NON-CASH CAPITAL FINANCING ACTIVITIES:				
Federal loan proceeds receivable	<u>\$ 190,400</u>	<u>\$ -</u>	<u>\$ 190,400</u>	<u>\$ -</u>

(Continued)

CITY OF CLINTON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
Year Ended September 30, 2009

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,037,335	\$ 54,709	\$ 1,092,044	\$ 199,696
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,256,303	43,154	1,299,457	-
Amortization	10,959	-	10,959	-
(Increase) decrease in receivables:				
Accounts	(16,144)	-	(16,144)	-
Claim refunds and reinsurance	-	-	-	32,882
Due from other funds	-	(1,277)	(1,277)	-
Increase (decrease) in payables:				
Accounts	132,483	770	133,253	-
Claims	-	-	-	(102,698)
Due to other funds	1,277	-	1,277	-
Customer deposits	49,261	-	49,261	-
Compensated absences	10,385	-	10,385	-
Net Cash Provided By Operating Activities	<u>\$ 2,481,859</u>	<u>\$ 97,356</u>	<u>\$ 2,579,215</u>	<u>\$ 129,880</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

	<u>Unemployment Compensation Benefit Fund</u>
<u>ASSETS</u>	
Cash	\$ 30,230
 <u>LIABILITIES</u>	
Accounts payable	<u>1,102</u>
 <u>NET ASSETS</u>	
Held in trust for City employees' unemployment benefits	<u>\$ 29,128</u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended September 30, 2009

	<u>Unemployment Compensation Benefit Fund</u>
ADDITIONS:	
Contributions from other funds	\$ 7,500
Interest	<u>1,030</u>
Total Additions	8,530
DEDUCTIONS:	
Unemployment claims	<u>(8,179)</u>
CHANGE IN NET ASSETS	351
NET ASSETS - BEGINNING	<u>28,777</u>
NET ASSETS - ENDING	<u><u>\$ 29,128</u></u>

See accompanying notes to the basic financial statements.

CITY OF CLINTON

NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clinton, Mississippi (the City) is incorporated under the laws of the State of Mississippi and operates as a code charter municipality. The City is governed by a mayor and a board of seven aldermen, all of whom are elected to four-year terms by the City's registered voters.

The City complies with U.S. generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. REPORTING ENTITY

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria includes how the budget is adopted, whether debt is secured by general obligations of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. Based upon the application of these criteria, the Clinton Public School District is excluded from the City's reporting entity.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal services fund activity is eliminated to avoid reporting the revenues and expenses twice, and other internal activity between funds has also been eliminated.

Program revenues include charges for goods and services provided by a given function and grants and contributions restricted to meeting the operational or capital requirements of a particular function. General revenues include taxes and any sources of revenue that are not reported as program revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and is used to account for all activities except those which are legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Debt Service Funds

Debt service funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the city other than debt service payments made by enterprise funds.

Capital Project Funds

Capital project funds are used to account for resources restricted for the acquisition of specific capital projects other than those financed by enterprise funds.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

Internal Service Fund

The internal service fund is used to account for services provided to other funds of the City on a cost reimbursement basis.

Fiduciary Fund (Not included in government-wide statements)

Trust Fund

The trust fund accounts for assets held by the City in a trustee capacity.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
Major Funds:	
GENERAL FUND	Accounts for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
CAPITAL PROJECT FUND:	
Library Construction Project Fund	Accounts for the proceeds of a bond issue being used for the construction of a library facility.
PROPRIETARY FUNDS:	
Water and Sewer Operations Fund	Accounts for the provision of water and sewer services.
Garbage Collection Fund	Accounts for the provision of refuse collection services.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

<u>Fund</u>	<u>Brief Description</u>
Nonmajor Funds:	
SPECIAL REVENUE FUNDS:	
Tourism Tax Fund	Accounts for revenues from a 2% tax imposed on hotel and motel room rentals within the city limits. These funds must be used to promote tourism and economic development.
Katrina CDBG Grant Fund	Accounts for the proceeds of a Federal grant being used for economic development.
Special Law Enforcement Fund	Accounts for law enforcement grants and drug seizure property. The city receives a share of property seized when its policemen participate in a drug seizure. These funds must be used to augment existing law enforcement budgets.
DEBT SERVICE FUNDS:	
Clinton Parkway Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$3,100,000 Public Improvement Series 1996 bonds.
Hampstead Blvd. Bond and Interest Fund	Accumulates funds for payment of a \$3,431,321 portion of a general obligation bond issue – \$3,870,000 Public Improvement Series 2006 bonds, the remaining portion of which is being paid by the Water and Sewer Operations Fund.

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

<u>Fund</u>	<u>Brief Description</u>
Quisenberry Library Bond and Interest Fund	Accumulates funds for payment of general obligation bonds to be issued for the construction of a library building.
Tax Increment Financing Bond and Interest Fund – United Artists	Accumulates funds for payment of a limited obligation bond issue - \$465,000 Land Improvement Series 1996 bonds.
Tax Increment Financing Bond and Interest Fund – Walmart	Accumulates funds for payment of a limited obligation bond issue - \$1,200,000 Land Improvement Series 2000 bonds.
Tax Increment Financing Bond and Interest Fund – Parkway Center	Accumulates funds for payment of a limited obligation bond issue - \$250,000 Land Improvement Series 2004 bonds.
Tax Increment Financing Bond and Interest Fund – Prugon	Accumulates funds for payment of a limited obligation bond issue - \$485,000 Series 2007 (Springridge Crossing Project) bonds.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

<u>Fund</u>	<u>Brief Description</u>
CAPITAL PROJECT FUNDS:	
Hampstead Boulevard Construction Project Fund	Accounts for the proceeds of bond issues being used for the construction of street, water and sewer improvements related to a retail development.
Parks and Recreation Project Fund	Accounts for the costs incurred for parks and recreation improvements funded by a loan from the Mississippi Development Bank.
Northside Corridor Project Fund	Accounts for the proceeds of a Federal grant being used for the construction of street improvements.
PROPRIETARY FUND:	
Self-Funded Group Insurance Fund	This internal service fund accounts for the operations of the City's self-insured group medical plan. Funding is provided by premiums collected from City employees and other City funds.
FIDUCIARY FUND:	
Unemployment Compensation Benefit Fund	This benefit trust fund accounts for funds required to be held to pay City employees' unemployment claims. State law requires the City to maintain the fund balance at 2% of the first \$7,000 of compensation paid to each employee during the previous calendar year, and the fund balance is not available for other uses by the City.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the “economic resources” measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds and the fiduciary fund utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund and fiduciary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available”. “Measurable” means knowing or being able to reasonably estimate the amount. “Available” means collectible within the current period or within sixty days after year end. Major revenue sources that meet the availability requirement include sales tax, franchise charges, and federal grants. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

Proprietary funds and the fiduciary fund utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

D. ASSETS, LIABILITIES AND EQUITY

Cash and Investments

Cash and cash equivalents consist of amounts on deposit with financial institutions, cash held by trustees, petty cash, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. Cash equivalents and investments are stated at cost which approximates fair market value.

The City may invest in interest-bearing time certificates of deposit or any bonds or other direct obligations of the United States of America, the State of Mississippi, or any county, municipality, or school district of Mississippi, provided certain provisions have been met.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Long-term interfund loans (noncurrent portion) are reported as “advances from/to other funds.” All other outstanding balances between funds are reported as “due to/from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. ASSETS, LIABILITIES AND EQUITY - Continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales taxes, franchise taxes, and grants. Business-type activities report utility and garbage collection earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility and garbage collection accounts receivable compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

The accounting treatment of property, plant, equipment, and intangible assets (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The City began using a capitalization threshold of \$5,000 for the year ended September 30, 2006, and used a capitalization threshold of \$500 for previous years.

Prior to October 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. ASSETS, LIABILITIES AND EQUITY - Continued

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 years
Improvements	5-50 years
Machinery and Equipment	3-15 years
Utility System	10-50 years
Infrastructure	10-40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, customer utility deposits, and certain resources set aside for revenue bond repayment and replacement of capital assets, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. 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.

Deferred Charges, Bond Discounts and Refunding Costs

Loan and bond issuance costs are reflected in the government-wide and proprietary fund financial statements as deferred charges and amortized on a straight-line basis over the terms of the loans and bonds.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. ASSETS, LIABILITIES AND EQUITY - Continued

In the government-wide and proprietary fund financial statements, bond discounts and costs related to refunding of bonds payable are deferred and amortized as interest over the terms of the bonds. Unamortized discounts and refunding costs are netted against bonds payable in the financial statements.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable, capital lease obligations, accrued compensated absences, and the net pension obligation.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave, subject to certain limitations. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability that has matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. ASSETS, LIABILITIES AND EQUITY - Continued

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund and fiduciary fund equity is classified the same as in the government-wide statements.

E. REVENUES, EXPENDITURES AND EXPENSES

Property Tax

Property taxes attach as an enforceable lien on property as of the date levied by the City. Taxes are levied annually on or before September 15th for the subsequent fiscal year. Property taxes are recorded as a receivable in the period levied, but the revenue is deferred until the subsequent year in which it is available for use by the City.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. REVENUES, EXPENDITURES AND EXPENSES - Continued

Grant Revenues

Revenues from federal, state, and other grants, the purpose of which is to fund specific City expenditures, are recognized at the time of the specific expenditure.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund – By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. However, interfund charges for services are not eliminated.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS

The City prepares a budget for each of its funds, and the budgets provide details by department and purpose. In September, the proposed budgets are presented to the Mayor and Board of Aldermen for review. The Board of Aldermen hold public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budgets. Any changes in the budgets must be within the revenues and reserves estimated as available by the accounting department. The budgets must be adopted on or before September 15th.

Mississippi law requires that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and are paid within 30 days after the end of the year are recorded under the accrual basis. Prior year claims that are paid more than 30 days after the end of the year are reflected as expenditures of the year in which they were paid. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered to be in accordance with U.S. generally accepted accounting principles.

Expenditures other than capital outlay, election, and emergency expenditures may not legally exceed budgeted appropriations at the purpose level (e.g., personal services, supplies, other services and charges, and debt service).

(Continued)

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

B. TAX LEVIES

The City levies taxes based on 15% of fair value for real and personal property except for single-family owner-occupied dwellings which are taxed based on 10% of fair value and motor vehicles and public utilities which are taxed based on 30% of fair value.

Annual tax increases for all purposes except payment of general obligation bonds and interest and funding of the Disability and Relief Fund are limited by state law to 10% of certain preceding years' receipts plus taxes on newly constructed properties, taxes on other properties added to the tax rolls, and an allowance for certain shortfalls in budgeted revenues.

Limitations are imposed on the amount of bonded and floating debt that may be issued based upon assessed valuation of properties.

Real property, personal property (excluding vehicle taxes, which have tax due dates based on the original date of vehicle registration), and public utility taxes are due on or before February 1. The City has an agreement with Hinds County whereby the County collects these ad valorem taxes for both the City and the Clinton Public School District. The agreement allows the County to retain 3% of the gross collections as a commission up to a maximum of \$25,000 annually. The agreement is renewed automatically on an annual basis, unless terminated by either party. The County continues to collect motor vehicle ad valorem taxes for the City and School District, retaining 5% of the gross collections as a commission. Taxes collected by the County for the School District are distributed directly to the School District.

C. DEFICIT FUND EQUITY

The Self-Funded Group Insurance Fund had a deficit fund equity of \$85,605 as of September 30, 2009. The City intends to adjust the future premium rates charged to City employees and other City funds in order to alleviate the deficit fund equity.

(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits. The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. At September 30, 2009, all of the City's bank deposits (including restricted amounts) were covered under the collateral pool administered by the State Treasurer, with the exception of amounts held in bond trust accounts at an out-of-state bank. These bond trust accounts were insured under the Federal Deposit Insurance Corporation deposit insurance coverage applicable to accounts required by bond indentures.

Investments. As of September 30, 2009, the City owned five-month U.S. Treasury Bills valued at \$264,864. The Treasury Bills were held by a bank within trust accounts in the City's name.

NOTE 4. RECEIVABLES AND UNEARNED REVENUE

Receivables at September 30, 2009 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Water, sewer and garbage collection charges	\$ -	\$1,038,662	\$1,038,662
Special assessments:			
Due within one year	27,037	3,990	31,027
Due in more than one year	486,675	168,126	654,801
Property taxes	6,167,147	-	6,167,147
Sales and tourism taxes	657,924	-	657,924
Franchise charges	192,311	-	192,311
Federal grants and assistance	252,088	190,400	442,488
Other	50,415	-	50,415
	<u>7,833,597</u>	<u>1,401,178</u>	<u>9,234,775</u>
Allowance for uncollectible amounts	-	(226,725)	(226,725)
Net receivables	<u>\$7,833,597</u>	<u>\$1,174,453</u>	<u>\$9,008,050</u>

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 4. RECEIVABLES AND UNEARNED REVENUE - Continued

In addition, unearned revenue, the majority of which is related to the receivables, consisted of the following at September 30, 2009:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Unearned property taxes, levied for use in the subsequent year	\$6,033,310	\$ -	\$6,033,310
Unearned federal grant revenue	<u>52,343</u>	<u>-</u>	<u>52,343</u>
	<u>\$6,085,653</u>	<u>\$ -</u>	<u>\$6,085,653</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Capital assets not being depreciated:				
Land:				
Right-of-way	\$ 5,977,614	\$ 115,650	\$ -	\$ 6,093,264
Other land	1,213,550	-	-	1,213,550
Construction in progress	<u>1,095,426</u>	<u>6,713,953</u>	<u>(986,006)</u>	<u>6,823,373</u>
Total not being depreciated	<u>8,286,590</u>	<u>6,829,603</u>	<u>(986,006)</u>	<u>14,130,187</u>
Other capital assets:				
Buildings	9,505,269	-	-	9,505,269
Other improvements	10,087,027	-	-	10,087,027
Equipment and vehicles	6,880,512	261,236	(585,447)	6,556,301
Infrastructure	<u>64,030,465</u>	<u>1,267,100</u>	<u>(1,911,849)</u>	<u>63,385,716</u>
	<u>90,503,273</u>	<u>1,528,336</u>	<u>(2,497,296)</u>	<u>89,534,313</u>
Accumulated depreciation:				
Buildings	2,467,164	216,120	-	2,683,284
Other improvements	4,262,000	493,481	-	4,755,481
Equipment and vehicles	5,524,522	409,580	(585,427)	5,348,675
Infrastructure	<u>18,717,658</u>	<u>2,878,596</u>	<u>(1,911,849)</u>	<u>19,684,405</u>
	<u>30,971,344</u>	<u>3,997,777</u>	<u>(2,497,276)</u>	<u>32,471,845</u>
Net other capital assets	<u>59,531,929</u>	<u>(2,469,441)</u>	<u>(20)</u>	<u>57,062,468</u>
Capital assets, net	<u>\$ 67,818,519</u>	<u>\$ 4,360,162</u>	<u>\$ (986,026)</u>	<u>\$ 71,192,655</u>

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 5. CAPITAL ASSETS – Continued

	Beginning Balance	Increases	Decreases	Ending Balance
<u>BUSINESS-TYPE ACTIVITIES</u>				
Capital assets not being depreciated:				
Land	\$ 177,512	\$ -	\$ -	\$ 177,512
Construction in progress	6,215	195,400	-	201,615
Certificate of authority	800,000	-	-	800,000
Total not being depreciated	<u>983,727</u>	<u>195,400</u>	<u>-</u>	<u>1,179,127</u>
Other capital assets:				
Water and sewer systems and improvements	42,585,110	-	-	42,585,110
Buildings	272,380	-	-	272,380
Equipment and vehicles	<u>2,215,353</u>	<u>168,677</u>	<u>(140,109)</u>	<u>2,243,921</u>
	<u>45,072,843</u>	<u>168,677</u>	<u>(140,109)</u>	<u>45,101,411</u>
Accumulated depreciation:				
Water and sewer systems and improvements	15,525,160	1,147,079	-	16,672,239
Buildings	63,980	10,950	-	74,930
Equipment and vehicles	<u>1,704,845</u>	<u>141,428</u>	<u>(119,041)</u>	<u>1,727,232</u>
	<u>17,293,985</u>	<u>1,299,457</u>	<u>(119,041)</u>	<u>18,474,401</u>
Net other capital assets	<u>27,778,858</u>	<u>(1,130,780)</u>	<u>(21,068)</u>	<u>26,627,010</u>
Capital assets, net	<u>\$ 28,762,585</u>	<u>\$ (935,380)</u>	<u>\$ (21,068)</u>	<u>\$ 27,806,137</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 28,617
Public safety	333,268
Public works	3,016,918
Culture and recreation	618,974
	<u>\$3,997,777</u>
Business-type activities:	
Water	\$ 431,409
Sewer	824,894
Garbage collection	43,154
	<u>\$1,299,457</u>

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 6. INTERFUND TRANSACTIONS AND BALANCES

The majority of interfund balances result from garbage collection customer billings by the Water and Sewer Operations Fund and from temporary advances for debt service and capital projects. The composition of interfund balances as of September 30, 2009 was as follows:

<u>Due To</u>	<u>Due From</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer Operations Fund</u>	<u>Nonmajor Internal Service Fund</u>	
General Fund	\$ -	\$ 1,765	\$ -	\$ -	\$ 1,765
Water and Sewer Operations Fund	13,955	57,298	-	-	71,253
Garbage Collection Fund	-	-	125,801	-	125,801
Nonmajor Governmental Funds	14,213	3,515	-	-	17,728
Total	<u>\$28,168</u>	<u>\$ 62,578</u>	<u>\$ 125,801</u>	<u>\$ -</u>	<u>\$216,547</u>

The majority of interfund transfers are to fund debt service. Interfund transfers during the year ended September 30, 2009 were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Nonmajor Governmental Funds	<u>\$ 147,684</u>	<u>\$ 31,572</u>	<u>\$ 179,256</u>

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 7. ACCOUNTS PAYABLE

Accounts payable at September 30, 2009 consisted of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Accounts payable to vendors	\$ 961,689	\$ 434,184	\$1,395,873
Cash appearance bonds and evidence held	84,107	-	84,107
Payroll withholdings and employee benefits	<u>173,576</u>	<u>-</u>	<u>173,576</u>
Total	<u>\$1,219,372</u>	<u>\$ 434,184</u>	<u>\$1,653,556</u>

NOTE 8. LONG-TERM DEBT

The City issues general obligation bonds, revenue bonds or tax increment limited obligation bonds to provide funds for the acquisition and construction of major capital improvements. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Revenue bonds pledge income derived from the acquired or constructed assets to pay debt service. In the case of tax increment limited obligation bonds, the City and County pledge property taxes on certain property improvements to pay debt service. General obligation bonds have been issued for both governmental and business-type activities. If general obligation bonds are expected to be repaid from revenues of business-type activities, the bonds are reported in the business-type activities. There are a number of limitations and restrictions contained in the various bond indentures. Certain restrictions relating to insurance and reporting, which are considered cost prohibitive or impractical, were not met; however, all significant limitations and restrictions have been met. In order for a governmental entity's bonds to be tax-exempt, the interest earnings on bond proceeds in excess of the interest paid on the bonds must be remitted to the federal government as arbitrage rebate. However, the City owes no arbitrage rebate on its bonds.

The City has entered into agreements as lessee for financing the acquisition of certain equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT – Continued

A. GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2009, the long-term debt principal payable from governmental activities consisted of the following:

General Obligation Bonds:

\$3,100,000 Public Improvement – Series 1996 serial bonds dated July 1, 1996; due in annual installments of \$280,000 to \$295,000 through July 1, 2011; interest at 5.25%. \$ 575,000

\$3,431,321 portion of Public Improvement – Series 2006 serial bonds dated July 1, 2006; due in annual installments of \$124,130 to \$252,694 through July 1, 2026; interest varies from 4.0% to 5.625%. 3,098,829

\$8,000,000 Public Improvement – Series 2008 serial bonds dated September 1, 2008; due in annual installments of \$260,000 to \$585,000 through September 1, 2028; interest varies from 3.5% to 4.0%. 7,750,000
11,423,829

Tax Increment Limited Obligation Bonds:

\$465,000 Land Improvement – Series 1996 serial bonds dated March 1, 1996; due in annual installments of \$30,000 to \$40,000 through March 1, 2016; interest varies from 5.0% to 5.7%. 250,000

\$1,200,000 Land Improvement – Series 2000 serial bonds dated April 1, 2000; due in annual installments of \$55,000 to \$105,000 through April 1, 2020; interest varies from 5.4% to 6.25%. 855,000

\$250,000 Land Improvement – Series 2004 serial bonds dated February 1, 2004; due in annual installments of \$16,000 to \$20,000 through March 1, 2019; interest at 4.25%. 180,500

\$485,000 Land Improvement – Series 2007 serial bonds dated March 15, 2007; due in annual installments of \$35,000 to \$50,000 through March 15, 2019; interest at 4.8%. 420,000
1,705,500

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

A. GOVERNMENTAL ACTIVITIES DEBT – Continued

Notes Payable:

\$1,000,000 loan payable to the Mississippi Development Authority; interest at 3.75%; monthly installments of \$7,272, including interest, with the final payment due March 1, 2013; secured by the City's share of sales tax collected by the State. 281,701

\$212,747 loan payable to the Mississippi Development Authority; interest at 3%; monthly installments of \$1,469, including interest, with the final payment due October 1, 2013; secured by the City's share of sales tax collected by the State. 66,325

\$7,750,000 loan payable to the Mississippi Development Bank; principal due in annual installments of \$250,000 to \$690,000 through November 1, 2024; interest varies from 3.375% to 4.500% and is payable semiannually; secured by the City's share of sales tax collected by the State. 7,285,000
7,633,026

Capital Lease Obligations:

\$471,969 equipment lease dated December 21, 2004; monthly payments of \$6,525, including interest at 3.05%; final payment due August 15, 2011. 145,593

\$241,740 equipment lease dated May 3, 2004; monthly payments of \$3,705, including interest at 3.34%; final payment due April 20, 2010. 25,648

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

A. GOVERNMENTAL ACTIVITIES DEBT – Continued

\$119,223 equipment lease dated November 30, 2004; monthly payments of \$2,158, including interest at 3.3%; final payment due December 15, 2009.	6,439
\$400,000 equipment lease dated December 21, 2004; monthly payments of \$3,852, including interest at 2.95%; final payment due December 15, 2014.	224,559
\$67,269 equipment lease dated June 20, 2005; monthly payments of \$1,228, including interest at 3.64%; final payment due June 15, 2010.	10,886
\$97,810 equipment lease dated November 15, 2007; monthly payments of \$2,901, including interest at 4.31%; final payment due November 15, 2010.	39,544
\$69,160 equipment lease dated August 15, 2008; monthly payments of \$773, including interest at 3.17%; with a balloon payment of \$30,900 at the September, 2013 maturity date.	60,749
\$19,568 equipment lease dated May 12, 2009; monthly payments of \$571, including interest at 3.23%; final payment due March 12, 2012.	16,960
\$18,945 equipment lease dated May 12, 2009; monthly payments of \$553, including interest at 3.23%; final payment due March 12, 2012.	16,420
\$19,266 equipment lease dated April 15, 2009; monthly payments of \$562, including interest at 3.23%; final payment due April 15, 2012.	16,700

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT – Continued

A. GOVERNMENTAL ACTIVITIES DEBT – Continued

\$105,585 equipment lease dated June 16, 2009; monthly payments of \$3,080, including interest at 3.20%; final payment due June 16, 2012. 97,168

\$23,893 equipment lease dated July 1, 2009; monthly payments of \$697, including interest at 3.19%; final payment due July 1, 2012. 22,626
683,292

Total Governmental Activities Long-Term Debt \$21,445,647

B. BUSINESS-TYPE ACTIVITIES DEBT

As of September 30, 2009, the long-term debt principal payable from business-type activities consisted of the following:

General Obligation Bonds:

\$1,000,000 Water Improvement – Series 1995 serial bonds dated March 1, 1995; annual installment of \$100,000 due March 1, 2010; interest at 5.5%. \$ 100,000

\$1,600,000 Water Improvement – Series 1998 serial bonds dated March 1, 1998; due in annual installments of \$85,000 to \$120,000 through March 1, 2018; interest varies from 4.5% to 4.8%. 925,000

\$438,679 portion of Public Improvement Series 2006 serial bonds dated July 1, 2006; due in annual installments of \$15,870 to \$32,306 through July 1, 2026; interest varies from 4% to 5.625%. 396,171
1,421,171

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

B. BUSINESS-TYPE ACTIVITIES DEBT - Continued

Revenue Bonds:

\$1,440,000 Sewer System Revenue Refunding – Series 1995 serial bonds dated December 1, 1995; due in annual installments of \$105,000 to \$135,000 through October 1, 2013; interest varies from 5.4% to 5.75%; secured by Water and Sewer Operations Fund revenues.	600,000
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Notes Payable:

\$1,705,144 loan payable to the Mississippi Department of Environmental Quality; interest at 4.50%; monthly installments of \$10,872, including interest; secured by the City's share of sales tax collected by the State; final payment due April 1, 2015.	643,058
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\$10,963,501 loan payable to the Mississippi Department of Environmental Quality; interest at 3%; monthly installments of \$61,942, including interest; secured by the City's share of sales tax collected by the State; final payment due November 1, 2021.	7,569,049
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\$1,157,361 loan payable to the Mississippi Department of Health; interest at 3.5%; monthly installments of \$6,791, including interest; secured by the City's share of sales tax collected by the State; final payment due February 1, 2024.	917,438
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\$500,000 loan payable to the Mississippi Development Authority; interest at 2%; monthly installments of \$2,529, including interest; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	415,315
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(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

B. BUSINESS-TYPE ACTIVITIES DEBT - Continued

\$250,000 loan payable to the Mississippi Development Authority; interest at 3%; monthly installments of \$1,386, including interest; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	211,217
\$493,655 loan payable to the Mississippi Development Authority; interest at 2%; monthly installments of \$2,497, including interest; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	410,044
\$3,719,450 loan payable to the Mississippi Department of Environmental Quality; interest at 2%; monthly installments of \$19,142, including interest; secured by the City's share of sales tax collected by the State; final payment due November 1, 2026.	3,335,220
\$1,900,000 maximum loan available from the Mississippi Department of Environmental Quality with \$190,400 proceeds received; interest at 1.75%; 237 monthly installments of \$956 (based on proceeds received), including interest beginning February, 2011; secured by the City's share of sales tax collected by the State; final payment due October, 2030.	<div style="text-align: right;"> <u>190,400</u> <u>13,691,741</u> </div>
 Capital Lease Obligations:	
\$67,200 equipment lease dated February 15, 2005; monthly payments of \$1,214, including interest at 3.21%; final payment due June 15, 2010.	10,779
\$69,761 equipment lease dated May 15, 2007; monthly payments of \$872, including interest at 4.26%, with a balloon payment of \$28,180 at the June, 2012 maturity date.	51,410

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

B. BUSINESS-TYPE ACTIVITIES DEBT - Continued

\$69,160 equipment lease dated August 15, 2008; monthly payments of \$773, including interest at 3.17%, with a balloon payment of \$30,900 at the September, 2013 maturity date. 60,750

\$112,660 equipment lease dated October 15, 2005; monthly payments of \$1,775, including interest at 4.25%; final payment due October 15, 2011. 42,406
165,345

Unamortized bond refunding cost and bond discount (36,605)

Total Business-Type Activities Long-Term Debt \$15,841,652

C. DEBT SERVICE REQUIREMENTS

The future debt service requirements for all notes and bonds outstanding as of September 30, 2009, are as follows:

GOVERNMENTAL

ACTIVITIES: FISCAL YEAR(S)	General Obligation Bonds		Notes Payable		Limited Obligation Bonds		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 664,130	\$ 470,434	\$ 366,195	\$ 295,148	\$ 136,000	\$ 92,426	\$ 2,024,333
2011	698,564	438,352	407,441	280,852	141,000	85,511	2,051,720
2012	422,430	404,633	431,032	262,861	152,000	78,231	1,751,187
2013	441,863	385,492	398,358	244,958	162,000	70,269	1,702,940
2014	466,297	365,523	360,000	231,005	168,500	61,676	1,653,001
2015-2019	2,666,180	1,519,636	2,100,000	943,440	841,000	169,203	8,239,459
2020-2024	3,347,842	954,999	2,880,000	464,880	105,000	6,563	7,759,284
2025-2029	<u>2,716,523</u>	<u>256,369</u>	<u>690,000</u>	<u>14,835</u>	-	-	<u>3,677,727</u>
	<u>\$ 11,423,829</u>	<u>\$ 4,795,438</u>	<u>\$ 7,633,026</u>	<u>\$ 2,737,979</u>	<u>\$ 1,705,500</u>	<u>\$ 563,879</u>	<u>\$ 28,859,651</u>

BUSINESS-TYPE

ACTIVITIES: FISCAL YEAR(S)	General Obligation Bonds		Notes Payable		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 200,870	\$ 62,023	\$ 896,384	\$ 365,540	\$ 105,000	\$ 30,995	\$ 1,660,812
2011	101,436	54,470	927,711	341,864	115,000	24,888	1,565,369
2012	107,570	49,476	959,524	313,876	120,000	18,278	1,568,724
2013	113,137	44,116	988,418	284,983	125,000	11,325	1,566,979
2014	123,703	38,320	1,018,233	255,166	135,000	3,881	1,574,303
2015-2019	573,820	99,101	4,936,819	853,969	-	-	6,463,709
2020-2024	137,158	29,676	3,335,780	218,534	-	-	3,721,148
2025-2029	63,477	3,831	616,564	15,457	-	-	699,329
2030-2034	-	-	<u>12,308</u>	<u>127</u>	-	-	<u>12,435</u>
	<u>\$ 1,421,171</u>	<u>\$ 381,013</u>	<u>\$ 13,691,741</u>	<u>\$ 2,649,516</u>	<u>\$ 600,000</u>	<u>\$ 89,367</u>	<u>\$ 18,832,808</u>

(Continued)

NOTE 8. LONG-TERM DEBT - Continued

C. DEBT SERVICE REQUIREMENTS - Continued

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments at September 30, 2009, are as follows:

<u>Fiscal Year(s)</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$ 277,632	\$ 51,976
2011	198,634	41,051
2012	101,985	46,212
2013	84,856	38,633
2014	46,223	-
2015-2019	<u>11,556</u>	<u>-</u>
Total minimum lease payments	720,886	177,872
Less amount representing interest	<u>(37,594)</u>	<u>(12,527)</u>
Present value of future minimum lease payments	<u>\$ 683,292</u>	<u>\$ 165,345</u>

The following is an analysis of equipment leased under capital leases as of September 30, 2009:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment cost	\$1,832,344	\$ 318,781
Accumulated depreciation	<u>(961,951)</u>	<u>(165,654)</u>
Carrying Value	<u>\$ 870,393</u>	<u>\$ 153,127</u>

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 8. LONG-TERM DEBT - Continued

D. CHANGES IN LONG-TERM LIABILITIES

During the year ended September 30, 2009, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES:					
General obligation bonds	\$12,054,092	\$ -	\$ (630,263)	\$11,423,829	\$ 664,130
Notes payable	7,973,665	-	(340,639)	7,633,026	366,195
Limited obligation bonds	1,841,000	-	(135,500)	1,705,500	136,000
Capital lease obligations	<u>746,743</u>	<u>187,257</u>	<u>(250,708)</u>	<u>683,292</u>	<u>260,243</u>
	22,615,500	187,257	(1,357,110)	21,445,647	1,426,568
Compensated absences	609,171	256,335	(305,135)	560,371	305,000
Net pension obligation	<u>818,508</u>	<u>110,371</u>	<u>(141,558)</u>	<u>787,321</u>	<u>-</u>
	<u>\$24,043,179</u>	<u>\$ 553,963</u>	<u>\$(1,803,803)</u>	<u>\$22,793,339</u>	<u>\$1,731,568</u>
BUSINESS-TYPE ACTIVITIES:					
General obligation bonds	\$ 1,610,908	\$ -	\$ (189,737)	\$ 1,421,171	\$ 200,870
Notes payable	14,371,561	190,400	(870,220)	13,691,741	896,384
Revenue bonds	700,000	-	(100,000)	600,000	105,000
Capital lease obligations	229,294	-	(63,949)	165,345	46,568
Unamortized bond refunding cost and bond discount	<u>(45,754)</u>	<u>-</u>	<u>9,149</u>	<u>(36,605)</u>	<u>-</u>
	16,866,009	190,400	(1,214,757)	15,841,652	1,248,822
Compensated absences	<u>74,719</u>	<u>60,283</u>	<u>(49,898)</u>	<u>85,104</u>	<u>50,000</u>
	<u>\$16,940,728</u>	<u>\$ 250,683</u>	<u>\$(1,264,655)</u>	<u>\$15,926,756</u>	<u>\$1,298,822</u>

The compensated absences and net pension obligation liabilities of the governmental activities are typically paid by the General Fund.

(Continued)

NOTE 8. LONG-TERM DEBT - Continued

E. REVENUE PLEDGED TO SECURE DEBT

The City has pledged its share of general sales tax collected by the State to secure its notes payable to the State for various public improvement and utility improvement projects. The City received general sales tax revenue totaling \$4,154,134 during the current year and made principal and interest payments on the notes payable to the State totaling \$1,914,967 during the current year. As of September 30, 2009, the future principal and interest requirements for the notes payable totaled \$26,712,262, and the maturity dates of the notes payable extend through October, 2030.

The City has pledged incremental ad valorem tax revenues resulting from commercial development projects to secure limited obligation bonds that were issued to fund the projects. The City's incremental ad valorem tax revenues received in the current year totaled \$179,256, and the City also received \$56,018 from Hinds County in the current year for the county's pledged portion of incremental ad valorem tax revenues. The principal and interest payments made by the City on the limited obligation bonds totaled \$234,735 during the current year. As of September 30, 2009, the future principal and interest requirements on the bonds totaled \$2,269,379, and the maturity dates extend through April, 2020.

The City has pledged Water and Sewer Operations Fund revenues, net of operating expenses, to repay revenue bonds issued for a utility improvement project. The Water and Sewer Operations Fund had operating income of \$1,037,335 in the current year, and the principal and interest payments made by the City on the revenue bonds totaled \$136,583 during the current year. As of September 30, 2009, the future principal and interest requirements for the revenue bonds totaled \$689,367, and the maturity dates extend through October, 2013.

(Continued)

NOTE 9. LEASE RENTAL REVENUE

The City receives annual lease payments of \$10,100 for industrial plant property. The lease automatically renews every ten years through the year 2067, unless terminated by the lessee. At the end of the lease, the lessee may purchase the property from the City at a reasonable market value at that time (excluding the value of improvements previously made by the lessee). The leased property’s remaining undepreciated cost as of September 30, 2009 was as follows:

	<u>Governmental Activities</u>
Property cost	\$ 955,000
Accumulated depreciation	<u>(804,300)</u>
Carrying value	<u>\$ 150,700</u>

The City also receives lease payments from cellular telephone companies for use of the excess space on the City’s water towers.

Future minimum rentals from leases with terms greater than one year are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$ 10,100	\$ 82,773
2011	10,100	47,587
2012	10,100	13,113
2013	10,100	13,506
2014	10,100	-
2015-2019	<u>40,400</u>	<u>-</u>
	<u>\$ 90,900</u>	<u>\$ 156,979</u>

(Continued)

NOTE 10. OPERATING LEASE OBLIGATIONS

The City leases certain land and other properties under operating leases. Future minimum lease payments for leases with initial noncancellable terms in excess of one year are as follows:

<u>Fiscal Year(s)</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$ 52,261	\$ 13,530
2011	52,358	13,530
2012	52,358	13,530
2013	50,561	13,530
2014	50,425	13,530
2015-2019	243,292	67,650
2020-2024	232,645	61,250
2025-2029	225,805	51,650
2030-2034	<u>62,361</u>	<u>23,920</u>
Total minimum lease payments	<u>\$1,022,066</u>	<u>\$ 272,120</u>

Rent expense during the year ended September 30, 2009 for all operating leases was as follows:

Governmental activities	\$ 115,736
Business-type activities	<u>17,052</u>
	<u>\$ 132,788</u>

NOTE 11. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

A. Deferred Compensation Plan

Plan Description: The City, through the Mississippi Public Employees Retirement System, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Mississippi Deferred Compensation Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The compensation deferred is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred compensation plan is a defined contribution plan and is administered by the board of trustees of the Public Employees Retirement System of Mississippi. The plan's assets are held in trust by the Public Employees Retirement System of Mississippi for the exclusive benefit of the participants and beneficiaries of the plan and are not subject to the general creditors of the City.

(Continued)

NOTE 11. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Continued

A. Deferred Compensation Plan - Continued

Funding Policy. Plan contributions by City employees are optional, and are limited by the Internal Revenue Code. City employees contributed approximately \$82,000 to the plan for the year ended September 30, 2009. The City does not make any contributions to the plan.

B. Public Employees' Retirement System

Plan Description: The City of Clinton contributes to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan for all eligible employees, except certain sworn and uniformed policemen and firemen who participate in the City of Clinton Disability and Relief Fund described later. 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 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 7.25% of their annual covered salary, and the City of Clinton is required to contribute at an actuarially-determined rate. The current City of Clinton contribution rate is 12% of the annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Clinton's contributions (including amounts withheld from members' salaries) to PERS for the years ended September 30, 2009, 2008, and 2007 were \$1,335,463, \$1,273,714, and \$1,262,219, respectively, equal to 100% of the required contributions for each year.

(Continued)

NOTE 11. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Continued

C. City of Clinton Disability and Relief Fund

Plan Description: The City of Clinton contributes to the City of Clinton Disability and Relief Fund (CDRF), which provides retirement and disability benefits, annual cost-of-living adjustments (subject to certain limitations), and death benefits to plan members and beneficiaries. Plan members consist of all full-time sworn and uniformed policemen and firemen who were employed by July 1, 1987. All full-time sworn and uniformed policemen and firemen employed after July 1, 1987, participate in PERS, described previously. CDRF is affiliated with the Mississippi Municipal Retirement System (MRS), an agent multiple-employer defined benefit pension plan administered by PERS. 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 for MRS. That information may be obtained by writing or calling PERS at the address or telephone numbers previously provided.

Funding Policy: During the year ended September 30, 2009, CDRF members contributed 8% of their annual covered salary, and the City of Clinton contributed the avails of a 0.71 mill tax levy. The contribution requirements for CDRF are established, and may only be amended, by the State of Mississippi Legislature. Required contributions for members may range from a minimum of 7% to a maximum of 10% of annual salaries and the avails of the City's tax levy. Annual CDRF tax levy increases are limited to ½ mill per year. Contributions from other funds may be provided. The City has agreed to contribute the avails of a .35 mill general fund tax levy for the years ending September 30, 2005 through 2020, if needed to maintain the actuarial soundness of the CDRF.

(Continued)

Notes to Basic Financial Statements – Continued

NOTE 11. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Continued

C. City of Clinton Disability and Relief Fund - Continued

Following is an analysis of the funding for the three most recent valuation dates:

Actuarial Valuation Date	September 30,		
	2008	2007	2006
Actuarial Value of Plan Assets	\$ 8,944,000	\$8,789,000	\$ 8,484,000
Actuarial Accrued Liability	<u>9,685,000</u>	<u>9,690,000</u>	<u>9,428,000</u>
Unfunded Actuarial Liability	<u>\$ 741,000</u>	<u>\$ 901,000</u>	<u>\$ 944,000</u>
Actuarial Value of Assets as a Percentage of Actuarial Accrued Liability	92.3%	90.7%	90.0%
Annual Covered Payroll	\$ 307,000	\$ 302,000	\$ 337,000
Ratio of Unfunded Actuarial Accrued Liability to Annual Covered Payroll	241.4%	298.3%	280.1%

These valuation dates are prior to the significant investment market declines that occurred subsequent to September 30, 2008. Accordingly, the unfunded actuarial liability reflected may be impacted and, if so, would be considered in future valuations.

The changes in the net pension obligation for the current year and the two preceding years were as follows:

Fiscal Year Ended	September 30,		
	2009	2008	2007
Annual required employer contribution	\$ 120,608	\$ 132,267	\$ 140,306
Interest on net pension obligation	65,481	66,271	64,719
Adjustment to annual required contribution	<u>(75,718)</u>	<u>(75,755)</u>	<u>(73,204)</u>
Annual pension cost	110,371	122,783	131,821
Actual employer contribution	<u>(141,558)</u>	<u>(132,666)</u>	<u>(112,420)</u>
Change in net pension obligation	(31,187)	(9,883)	19,401
Beginning net pension obligation	<u>818,508</u>	<u>828,391</u>	<u>808,990</u>
Ending net pension obligation	<u>\$ 787,321</u>	<u>\$ 818,508</u>	<u>\$ 828,391</u>
Percentage of annual pension cost contributed	128.26%	108.05%	85.28%

(Continued)

NOTE 11. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS – Continued

C. City of Clinton Disability and Relief Fund - Continued

The annual required contribution for the year ended September 30, 2009 was determined as part of the September 30, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include an 8% (including 3.75% price inflation) investment rate of return, projected salary increases of 4.5% to 6% (including 4% wage inflation) per year, and cost of living benefit adjustments of 2.5% per year (not to exceed 10%). The actuarial value of CDRF's assets was determined using the 5-year smoothed market method. CDRF's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at September 30, 2009 was 26 years.

NOTE 12. COMMITMENTS

The City has entered into long-term contracts for residential solid waste collection and for the operation, management and maintenance of the City's wastewater treatment facilities. The solid waste collection contract is effective through November, 2011, and provides for a monthly charge to the City of \$11.98 per residential unit and light commercial entity (subject to annual adjustment based on the Consumer Price Index). The wastewater treatment facilities contract is effective through September, 2011, and provides for a monthly charge to the City of \$37,629 (subject to annual adjustment based on the Consumer Price Index) plus repair costs incurred by the contractor.

NOTE 13. CONTINGENT LIABILITIES

The City is a defendant in several lawsuits arising in the normal course of operations. In the opinion of the City's counsel, these lawsuits should not materially impact the financial condition of the City, since each claim is within the policy limits of the City's liability policy and each lawsuit is being vigorously defended.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected would constitute a liability of the applicable funds. The City expects no such disallowances.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of loss for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the prior year, and settlements in excess of coverage for the three previous years were not material.

(Continued)

NOTE 14. RISK MANAGEMENT - Continued

The City participates in the Mississippi Municipal Workers' Compensation Group (the Group), a self-insurance group. As such, the City may be assessed to pay claims or could possibly receive refunds or credits, depending on the Group surpluses available and as determined by the board of trustees of the Group (and allowed by the Mississippi Workers' Compensation Commission). The City is jointly and severally liable for claims made against the Group for the period during which the City is a participant in the Group.

Employees of the City are covered by the City's medical and dental self-insurance plan (the "plan"). The City contributed approximately \$414 per month per employee to the plan, and employees had the option of authorizing payroll withholdings to fund contributions for spouses and dependents. Claims are paid by a third party administrator acting on behalf of the City.

The City's medical self-insurance plan was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer. Stop-loss coverage was in effect for individual claims exceeding \$55,000 and for aggregate loss, which is based on the number of covered individuals. The aggregate stop-loss coverage attachment point for the current policy year was approximately \$1,135,000. The stop-loss coverage amounts apply to claims incurred during the policy period that are paid up to three months after the policy period.

The costs associated with the medical self-insurance plan are reported as interfund transactions and are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund and the Enterprise Funds. The liabilities reported are based on the requirements of Governmental Accounting Standards Board No. 10, which requires 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. Because actual claims liabilities depend on complex factors, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Nonincremental claims adjustment expenses have not been included as part of the liability for claims because the amount would be immaterial. Changes in the claims liability amounts in the current year and the prior year were as follows:

(Continued)

NOTE 14. RISK MANAGEMENT - Continued

	<u>Year Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
Claims liability, October 1	\$ 227,723	\$ 196,747
Current year claims and changes in estimates	747,034	1,039,123
Claims paid in current year	<u>(849,732)</u>	<u>(1,008,147)</u>
Claims liability, September 30	<u>\$ 125,025</u>	<u>\$ 227,723</u>

NOTE 15. IMPLEMENTATION OF GASB PRONOUNCEMENT

The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51 "Accounting and Financial Reporting for Intangible Assets" for its fiscal year ended September 30, 2009, and this implementation resulted in a \$423,349 retroactive increase in the September 30, 2008 balance of capital assets and net assets in the government-wide business-type activities and the Water and Sewer Operations Fund.

NOTE 16. SUBSEQUENT EVENTS

Subsequent to September 30, 2009, the City financed a \$437,000 fire truck by issuing lease-purchase debt, which will be repaid by the General Fund over ten years at 3.89%. In addition, the Mississippi Department of Health has approved loans to the City for \$1.9 million and \$2.4 million to be repaid by the Water and Sewer Operations Fund over twenty years at 1.95% and 1.75%, respectively, and as of September 30, 2009 the City had utilized and requested \$190,400 of these amounts.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLINTON
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis, See Note A)	Final Budget - Over (Under)
<u>AVAILABLE</u>				
Licenses and permits	\$ 980,000	\$ 917,000	\$ 889,388	\$ (27,612)
State grants	967,948	979,948	328,307	(651,641)
State shared revenues	4,682,000	4,598,000	4,594,243	(3,757)
Local grants	145,000	105,000	40,689	(64,311)
Federal grants	328,000	541,952	1,100,669	558,717
Charges for services	2,000	14,000	67,010	53,010
Fines and forfeitures	515,000	476,000	519,902	43,902
Interest earned	40,000	20,000	36,247	16,247
Miscellaneous	1,103,800	868,206	400,726	(467,480)
Total receipts, other than taxes	8,763,748	8,520,106	7,977,181	(542,925)
Beginning fund balance	302,949	(159,397)	(159,397)	-
Total available, other than taxes	9,066,697	8,360,709	7,817,784	(542,925)
Ad valorem taxes to be provided by levy	6,348,424	6,295,424	6,115,195	(180,229)
Total Available From All Sources	15,415,121	14,656,133	13,932,979	(723,154)
<u>EXPENDITURES</u>				
General government:				
Elected officials:				
Personal services	275,442	274,360	274,987	627
Supplies	12,000	10,000	7,862	(2,138)
Other services and charges	51,756	87,056	88,149	1,093
Total elected officials	339,198	371,416	370,998	(418)
Court services:				
Personal services	140,471	138,013	130,245	(7,768)
Supplies	8,300	6,300	4,008	(2,292)
Other services and charges	104,390	123,390	114,206	(9,184)
Total court services	253,161	267,703	248,459	(19,244)
Administration:				
Personal services	286,295	286,607	286,214	(393)
Supplies	29,500	19,300	13,630	(5,670)
Other services and charges	238,782	207,082	195,186	(11,896)
Capital outlay	15,000	-	-	-
Total administration	569,577	512,989	495,030	(17,959)
Community development:				
Personal services	156,991	141,438	142,233	795
Supplies	14,000	13,200	10,893	(2,307)
Other services and charges	37,304	48,404	47,199	(1,205)
Capital outlay	16,000	19,266	19,266	-
Debt service	5,755	3,365	2,811	(554)
Total community development	230,050	225,673	222,402	(3,271)
Total General Government	1,391,986	1,377,781	1,336,889	(40,892)

(Continued)

CITY OF CLINTON
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - CONTINUED
Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis, See Note A)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>EXPENDITURES - Continued</u>				
Public safety:				
Law enforcement:				
Personal services	3,048,289	3,088,402	3,047,937	(40,465)
Supplies	309,302	284,199	313,986	29,787
Other services and charges	255,047	329,047	295,919	(33,128)
Capital outlay	96,000	105,585	120,009	14,424
Debt service	69,342	50,214	45,853	(4,361)
Total law enforcement	<u>3,777,980</u>	<u>3,857,447</u>	<u>3,823,704</u>	<u>(33,743)</u>
Fire protection:				
Personal services	2,758,534	2,759,285	2,716,714	(42,571)
Supplies	169,000	189,820	209,858	20,038
Other services and charges	234,284	227,085	204,514	(22,571)
Capital outlay	498,000	480,975	43,693	(437,282)
Debt service	367,125	317,266	301,869	(15,397)
Total fire protection	<u>4,026,943</u>	<u>3,974,431</u>	<u>3,476,648</u>	<u>(497,783)</u>
Inspection:				
Personal services	105,089	105,120	104,625	(495)
Supplies	11,240	11,240	6,553	(4,687)
Other services and charges	11,600	11,600	7,459	(4,141)
Total inspection	<u>127,929</u>	<u>127,960</u>	<u>118,637</u>	<u>(9,323)</u>
Total Public Safety	<u>7,932,852</u>	<u>7,959,838</u>	<u>7,418,989</u>	<u>(540,849)</u>
Street:				
Personal services	985,215	1,001,987	1,032,709	30,722
Supplies	297,550	266,150	290,548	24,398
Other services and charges	608,624	584,074	508,276	(75,798)
Capital outlay	1,376,000	1,138,445	1,141,237	2,792
Debt service	119,199	116,223	115,634	(589)
Total Street	<u>3,386,588</u>	<u>3,106,879</u>	<u>3,088,404</u>	<u>(18,475)</u>

(Continued)

CITY OF CLINTON
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - CONTINUED
Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis, See Note A)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>EXPENDITURES - Continued</u>				
Parks and recreation:				
Personal services	826,841	816,048	753,750	(62,298)
Supplies	170,200	170,500	217,758	47,258
Other services and charges	197,707	189,976	203,675	13,699
Capital outlay	38,700	38,268	37,584	(684)
Debt service	469,447	466,021	464,896	(1,125)
Total Parks and Recreation	<u>1,702,895</u>	<u>1,680,813</u>	<u>1,677,663</u>	<u>(3,150)</u>
4 C's:				
Other services and charges	20,000	20,000	20,000	-
Total 4 C's	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Economic development:				
Personal services	-	32,315	30,815	(1,500)
Supplies	2,600	2,600	1,282	(1,318)
Other services and charges	185,294	152,979	150,896	(2,083)
Total Economic Development	<u>187,894</u>	<u>187,894</u>	<u>182,993</u>	<u>(4,901)</u>
Main Street:				
Personal services	51,118	51,133	51,078	(55)
Supplies	6,400	6,400	3,013	(3,387)
Other services and charges	15,600	15,600	11,929	(3,671)
Total Main Street	<u>73,118</u>	<u>73,133</u>	<u>66,020</u>	<u>(7,113)</u>
Transfers and other charges	<u>147,984</u>	<u>147,984</u>	<u>147,695</u>	<u>(289)</u>
Total expenditures	14,843,317	14,554,322	13,938,653	(615,669)
Ending fund balance	<u>571,804</u>	<u>101,811</u>	<u>(5,674)</u>	<u>(107,485)</u>
Total Expenditures and Ending Fund Balance	<u>\$15,415,121</u>	<u>\$14,656,133</u>	<u>\$ 13,932,979</u>	<u>\$ (723,154)</u>

CITY OF CLINTON
 GENERAL FUND
 NOTE TO BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

NOTE A. Budgetary Basis Reconciliation

An explanation of the differences between budgetary basis amounts and the amounts determined in accordance with U.S. generally accepted accounting principles (GAAP) follows:

Available - Budgetary Comparison Schedule	\$ 13,932,979
Differences:	
GAAP basis receivables and deferred revenues are reflected as budgetary basis available in the year received	(279,275)
Other financing sources are included in budgetary basis available	(187,257)
Beginning fund balance is included in budgetary basis available	<u>159,397</u>
Revenues - Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 13,625,844</u>
Expenditures - Budgetary Comparison Schedule	\$ 13,938,653
Differences:	
GAAP basis payables paid after October 30th are reflected as budgetary basis expenditures in the year paid	(6,672)
Other financing uses are included in budgetary basis expenditures	<u>(147,684)</u>
Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 13,784,297</u>
Other Financing Sources (Uses) - Budgetary Comparison Schedule	\$ -
Differences:	
Other financing sources are included in budgetary basis available	187,257
Other financing uses are included in budgetary basis expenditures	<u>(147,684)</u>
Other Financing Sources (Uses) - Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 39,573</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF CLINTON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENT FUNDS
September 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 191,389	\$ 663,872	\$ 374,902	\$ 1,230,163
Receivables:				
Property taxes	-	1,000,882	-	1,000,882
Tourism tax	16,244	-	-	16,244
Federal grants	-	-	217,137	217,137
Special assessments	-	513,712	-	513,712
Due from other funds	-	-	17,728	17,728
 Total Assets	 <u>\$207,633</u>	 <u>\$2,178,466</u>	 <u>\$ 609,767</u>	 <u>\$ 2,995,866</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 22,941	\$ 3,750	\$ -	\$ 26,691
Unearned property taxes	-	978,038	-	978,038
Unearned grant revenue	52,343	-	-	52,343
Unavailable special assessments	-	513,712	-	513,712
Due to other funds	150	58,913	3,515	62,578
 Total Liabilities	 <u>75,434</u>	 <u>1,554,413</u>	 <u>3,515</u>	 <u>1,633,362</u>
Fund Balances:				
Unreserved reported in:				
Special revenue funds	132,199	-	-	132,199
Debt service funds	-	624,053	-	624,053
Capital projects funds	-	-	606,252	606,252
 Total Fund Balance	 <u>132,199</u>	 <u>624,053</u>	 <u>606,252</u>	 <u>1,362,504</u>
 Total Liabilities and Fund Balances	 <u>\$207,633</u>	 <u>\$2,178,466</u>	 <u>\$ 609,767</u>	 <u>\$ 2,995,866</u>

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 1,261,486	\$ -	\$ 1,261,486
Intergovernmental	167,269	78,777	196,411	442,457
Charges for services	20,564	-	-	20,564
Fines and forfeitures	1,350	-	-	1,350
Special assessments	-	27,037	-	27,037
Interest	6,571	26,828	13,594	46,993
Contributions	4,230	-	-	4,230
	<u>199,984</u>	<u>1,394,128</u>	<u>210,005</u>	<u>1,804,117</u>
Total Revenues				
Expenditures:				
Current:				
General government	-	14,211	-	14,211
Public Safety	38,579	-	-	38,579
Culture and Recreation	83,824	-	-	83,824
Economic Development	96,571	-	-	96,571
Debt Service	-	1,373,468	-	1,373,468
Capital Outlay	9,731	-	260,755	270,486
	<u>228,705</u>	<u>1,387,679</u>	<u>260,755</u>	<u>1,877,139</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,721)</u>	<u>6,449</u>	<u>(50,750)</u>	<u>(73,022)</u>

(Continued)

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - CONTINUED
 Year Ended September 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources (Uses):				
Transfers in	-	179,256	-	179,256
Transfers out	<u>-</u>	<u>(31,572)</u>	<u>-</u>	<u>(31,572)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>147,684</u>	<u>-</u>	<u>147,684</u>
Net Change in Fund Balances	(28,721)	154,133	(50,750)	74,662
Fund Balances - Beginning	<u>160,920</u>	<u>469,920</u>	<u>657,002</u>	<u>1,287,842</u>
Fund Balances - Ending	<u>\$ 132,199</u>	<u>\$ 624,053</u>	<u>\$ 606,252</u>	<u>\$ 1,362,504</u>

CITY OF CLINTON

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2009

	Tourism Tax Fund	Katrina CDBG Grant Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 135,060	\$ -	\$ 56,329	\$ 191,389
Tourism tax receivable	<u>16,244</u>	<u>-</u>	<u>-</u>	<u>16,244</u>
Total Assets	<u>\$ 151,304</u>	<u>\$ -</u>	<u>\$ 56,329</u>	<u>\$ 207,633</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 19,105	\$ -	\$ 3,836	\$ 22,941
Unearned grant revenue	-	-	52,343	52,343
Due to other funds	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
Total Liabilities	19,105	-	56,329	75,434
Fund Balances:				
Unreserved	<u>132,199</u>	<u>-</u>	<u>-</u>	<u>132,199</u>
Total Liabilities and Fund Balances	<u>\$ 151,304</u>	<u>\$ -</u>	<u>\$ 56,329</u>	<u>\$ 207,633</u>

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
Year Ended September 30, 2009

	Tourism Tax Fund	Katrina CDBG Grant Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental:				
Tourism tax	\$ 125,381	\$ -	\$ -	\$ 125,381
Federal grants	-	-	41,888	41,888
	<u>125,381</u>	<u>-</u>	<u>41,888</u>	<u>167,269</u>
Charges for services	20,564	-	-	20,564
Fines and forfeitures	-	-	1,350	1,350
Interest	4,484	-	2,087	6,571
Contributions	<u>1,245</u>	<u>-</u>	<u>2,985</u>	<u>4,230</u>
Total Revenues	<u>151,674</u>	<u>-</u>	<u>48,310</u>	<u>199,984</u>
Expenditures:				
Public Safety:				
Supplies	-	-	26,457	26,457
Other services and charges	<u>-</u>	<u>-</u>	<u>12,122</u>	<u>12,122</u>
	<u>-</u>	<u>-</u>	<u>38,579</u>	<u>38,579</u>
Culture and Recreation:				
Personal services	36,887	-	-	36,887
Supplies	19,852	-	-	19,852
Other services and charges	<u>27,085</u>	<u>-</u>	<u>-</u>	<u>27,085</u>
	<u>83,824</u>	<u>-</u>	<u>-</u>	<u>83,824</u>
Economic Development:				
Other services and charges	<u>96,571</u>	<u>-</u>	<u>-</u>	<u>96,571</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>9,731</u>	<u>9,731</u>
Total Expenditures	<u>180,395</u>	<u>-</u>	<u>48,310</u>	<u>228,705</u>
Net Change in Fund Balances	(28,721)	-	-	(28,721)
Fund Balances - Beginning	<u>160,920</u>	<u>-</u>	<u>-</u>	<u>160,920</u>
Fund Balances - Ending	<u>\$ 132,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,199</u>

CITY OF CLINTON

COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS
September 30, 2009

	Clinton Parkway Bond and Interest Fund	Hampstead Blvd. Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Tax Increment Financing Bond and Interest Fund - United Artists	Tax Increment Financing Bond and Interest Fund - Walmart	Tax Increment Financing Bond and Interest Fund - Parkway Center	Tax Increment Financing Bond and Interest Fund - Prugon	Total Nonmajor Debt Service Funds
ASSETS								
Cash and cash equivalents	\$ 47,187	\$ 38,321	\$ 567,885	\$ 2	\$ 4,429	\$ 1,006	\$ 5,042	\$ 663,872
Property taxes receivable	267,367	254,639	478,876	-	-	-	-	1,000,882
Special assessments receivable	-	513,712	-	-	-	-	-	513,712
Total Assets	<u>\$314,554</u>	<u>\$ 806,672</u>	<u>\$1,046,761</u>	<u>\$ 2</u>	<u>\$ 4,429</u>	<u>\$ 1,006</u>	<u>\$ 5,042</u>	<u>\$ 2,178,466</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ 1,000	\$ 3,750
Unearned property taxes	261,641	249,182	467,215	-	-	-	-	978,038
Unavailable special assessments	-	513,712	-	-	-	-	-	513,712
Due to other funds	-	57,148	-	1,765	-	-	-	58,913
Total Liabilities	261,641	820,042	469,965	1,765	-	-	1,000	1,554,413
Fund Balances:								
Unreserved	<u>52,913</u>	<u>(13,370)</u>	<u>576,796</u>	<u>(1,763)</u>	<u>4,429</u>	<u>1,006</u>	<u>4,042</u>	<u>624,053</u>
Total Liabilities and Fund Balances	<u>\$314,554</u>	<u>\$ 806,672</u>	<u>\$1,046,761</u>	<u>\$ 2</u>	<u>\$ 4,429</u>	<u>\$ 1,006</u>	<u>\$ 5,042</u>	<u>\$ 2,178,466</u>

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR DEBT SERVICE FUNDS
September 30, 2009

	Clinton Parkway Bond and Interest Fund	Hampstead Blvd. Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Tax Increment Financing Bond and Interest Fund - United Artists	Tax Increment Financing Bond and Interest Fund - Walmart	Tax Increment Financing Bond and Interest Fund - Parkway Center	Tax Increment Financing Bond and Interest Fund - Prugon	Total Nonmajor Debt Service Funds
Revenues:								
Property taxes	<u>\$310,963</u>	<u>\$ 301,711</u>	<u>\$ 648,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,261,486</u>
Intergovernmental:								
State grants	5,707	5,435	11,617	-	-	-	-	22,759
County shared revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,018</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>56,018</u>
	<u>5,707</u>	<u>5,435</u>	<u>11,617</u>	<u>21,018</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>78,777</u>
Special assessments	<u>-</u>	<u>27,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,037</u>
Interest	<u>3,359</u>	<u>3,478</u>	<u>19,502</u>	<u>6</u>	<u>267</u>	<u>69</u>	<u>147</u>	<u>26,828</u>
Total Revenues	<u>320,029</u>	<u>337,661</u>	<u>679,931</u>	<u>21,024</u>	<u>35,267</u>	<u>69</u>	<u>147</u>	<u>1,394,128</u>
Expenditures:								
General government:								
Other services and charges	3,802	3,077	7,332	-	-	-	-	14,211
Debt service	<u>310,198</u>	<u>258,907</u>	<u>567,634</u>	<u>45,549</u>	<u>109,510</u>	<u>23,830</u>	<u>57,840</u>	<u>1,373,468</u>
Total Expenditures	<u>314,000</u>	<u>261,984</u>	<u>574,966</u>	<u>45,549</u>	<u>109,510</u>	<u>23,830</u>	<u>57,840</u>	<u>1,387,679</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,029</u>	<u>75,677</u>	<u>104,965</u>	<u>(24,525)</u>	<u>(74,243)</u>	<u>(23,761)</u>	<u>(57,693)</u>	<u>6,449</u>

(Continued)

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - NONMAJOR DEBT SERVICE FUNDS
 September 30, 2009

	Clinton Parkway Bond and Interest Fund	Hampstead Blvd. Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Tax Increment Financing Bond and Interest Fund - United Artists	Tax Increment Financing Bond and Interest Fund - Walmart	Tax Increment Financing Bond and Interest Fund - Parkway Center	Tax Increment Financing Bond and Interest Fund - Prugon	Total Nonmajor Debt Service Funds
Other Financing Sources (Uses):								
Transfers in	-	-	-	22,324	75,510	23,831	57,591	179,256
Transfers out	<u>(7,917)</u>	<u>(7,540)</u>	<u>(16,115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,572)</u>
Total Other Financing Sources (Uses)	<u>(7,917)</u>	<u>(7,540)</u>	<u>(16,115)</u>	<u>22,324</u>	<u>75,510</u>	<u>23,831</u>	<u>57,591</u>	<u>147,684</u>
Net Change in Fund Balances	(1,888)	68,137	88,850	(2,201)	1,267	70	(102)	154,133
Fund Balances - Beginning	<u>54,801</u>	<u>(81,507)</u>	<u>487,946</u>	<u>438</u>	<u>3,162</u>	<u>936</u>	<u>4,144</u>	<u>469,920</u>
Fund Balances - Ending	<u>\$ 52,913</u>	<u>\$ (13,370)</u>	<u>\$ 576,796</u>	<u>\$ (1,763)</u>	<u>\$ 4,429</u>	<u>\$ 1,006</u>	<u>\$ 4,042</u>	<u>\$ 624,053</u>

CITY OF CLINTON

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
September 30, 2009

	<u>Hampstead Boulevard Construction Project Fund</u>	<u>Parks and Recreation Project Fund</u>	<u>Northside Corridor Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 305,010	\$ 69,487	\$ 405	\$374,902
Federal grants receivable	-	-	217,137	217,137
Due from other funds	<u>-</u>	<u>3,535</u>	<u>14,193</u>	<u>17,728</u>
 Total Assets	 <u>\$ 305,010</u>	 <u>\$ 73,022</u>	 <u>\$ 231,735</u>	 <u>\$609,767</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 3,515	\$ 3,515
Fund Balances:				
Unreserved	<u>305,010</u>	<u>73,022</u>	<u>228,220</u>	<u>606,252</u>
 Total Liabilities and Fund Balances	 <u>\$ 305,010</u>	 <u>\$ 73,022</u>	 <u>\$ 231,735</u>	 <u>\$609,767</u>

CITY OF CLINTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 NONMAJOR CAPITAL PROJECT FUNDS
 Year Ended September 30, 2009

	<u>Hampstead Boulevard Construction Project Fund</u>	<u>Parks and Recreation Project Fund</u>	<u>Northside Corridor Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Intergovernmental:				
Federal grants	\$ -	\$ -	\$ 196,411	\$ 196,411
Interest	9,871	2,071	1,652	13,594
Total Revenues	<u>9,871</u>	<u>2,071</u>	<u>198,063</u>	<u>210,005</u>
Expenditures:				
Capital Outlay	50,615	12,007	198,133	260,755
Total Expenditures	<u>50,615</u>	<u>12,007</u>	<u>198,133</u>	<u>260,755</u>
Net Change in Fund Balances	(40,744)	(9,936)	(70)	(50,750)
Fund Balances - Beginning	<u>345,754</u>	<u>82,958</u>	<u>228,290</u>	<u>657,002</u>
Fund Balances - Ending	<u>\$ 305,010</u>	<u>\$ 73,022</u>	<u>\$ 228,220</u>	<u>\$ 606,252</u>

CITY OF CLINTON
 TOURISM TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Tourism taxes	\$ 110,000	\$ 110,000	\$ 134,254	\$ 24,254
Interest earned	2,000	2,000	4,484	2,484
Rental income	1,000	1,000	297	(703)
Donations - private sources	1,500	1,500	1,246	(254)
Sales	31,000	31,000	20,267	(10,733)
Total Receipts	145,500	145,500	160,548	15,048
Beginning fund balance	77,190	136,448	136,448	-
Total Available From All Sources	<u>\$ 222,690</u>	<u>\$ 281,948</u>	<u>\$ 296,996</u>	<u>\$ 15,048</u>
<u>EXPENDITURES</u>				
Visitor center:				
Personal services	\$ 36,949	\$ 36,949	\$ 36,886	\$ (63)
Supplies:				
Cost of sales	20,000	20,000	12,749	(7,251)
Other	6,850	8,850	7,104	(1,746)
Other services and charges	30,728	28,728	27,144	(1,584)
Total visitor center	94,527	94,527	83,883	(10,644)
Tourism promotion:				
Other services and charges	93,500	93,500	83,571	(9,929)
Total Expenditures	188,027	188,027	167,454	(20,573)
Ending fund balance	34,663	93,921	129,542	35,621
Total Expenditures and Ending Fund Balance	<u>\$ 222,690</u>	<u>\$ 281,948</u>	<u>\$ 296,996</u>	<u>\$ 15,048</u>

CITY OF CLINTON

KATRINA CDBG GRANT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ -	\$ 13,179	\$ 13,179
Total Receipts	-	-	13,179	13,179
Beginning fund balance	-	-	-	-
Total Available From All Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,179</u>	<u>\$ 13,179</u>
<u>EXPENDITURES</u>				
Other services and charges	\$ -	\$ -	\$ 13,179	\$ 13,179
Total Expenditures	-	-	13,179	13,179
Ending fund balance	-	-	-	-
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,179</u>	<u>\$ 13,179</u>

CITY OF CLINTON

SPECIAL LAW ENFORCEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Participation receipts from U.S. Justice Department	\$ 25,000	\$ 25,000	\$ 22,703	\$ (2,297)
Interest earned	-	-	2,087	2,087
Other receipts	3,500	3,500	4,335	835
Total Receipts	28,500	28,500	29,125	625
Beginning fund balance	69,225	71,528	71,528	-
Total Available From All Sources	\$ 97,725	\$ 100,028	\$ 100,653	\$ 625
<u>EXPENDITURES</u>				
Supplies	\$ 1,500	\$ 1,500	\$ 26,457	\$ 24,957
Other services and charges	10,500	10,500	12,122	1,622
Capital outlay	40,734	40,734	9,731	(31,003)
Total Expenditures	52,734	52,734	48,310	(4,424)
Ending fund balance	44,991	47,294	52,343	5,049
Total Expenditures and Ending Fund Balance	\$ 97,725	\$ 100,028	\$ 100,653	\$ 625

CITY OF CLINTON

CLINTON PARKWAY BOND AND INTEREST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 5,706	\$ 5,706
Interest earned	-	-	3,359	3,359
Total receipts, other than taxes	-	-	9,065	9,065
Beginning fund balance	47,142	49,986	49,986	-
Total available, other than taxes	47,142	49,986	59,051	9,065
Ad valorem taxes to be provided by levy	327,292	327,292	310,052	(17,240)
Total Available From All Sources	\$ 374,434	\$ 377,278	\$ 369,103	\$ (8,175)
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,852	\$ 3,852	\$ 3,801	\$ (51)
Debt service	310,600	310,600	310,198	(402)
Transfers to other funds	7,917	7,917	7,917	-
Total Expenditures	322,369	322,369	321,916	(453)
Ending fund balance	52,065	54,909	47,187	(7,722)
Total Expenditures and Ending Fund Balance	\$ 374,434	\$ 377,278	\$ 369,103	\$ (8,175)

CITY OF CLINTON

HAMPSTEAD BOULEVARD BOND AND INTEREST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Transfers from other funds	\$ -	\$ 46,897	\$ -	\$ (46,897)
Homestead exemption reimbursement	-	-	5,435	5,435
Interest earned	-	-	3,478	3,478
Special assessments	28,930	28,930	27,037	(1,893)
Total receipts, other than taxes	28,930	75,827	35,950	(39,877)
Beginning fund balance	6,672	(81,507)	(81,507)	-
Total available, other than taxes	35,602	(5,680)	(45,557)	(39,877)
Ad valorem taxes to be provided by levy	311,707	311,707	296,254	(15,453)
Total Available From All Sources	<u>\$ 347,309</u>	<u>\$ 306,027</u>	<u>\$ 250,697</u>	<u>\$ (55,330)</u>
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,668	\$ 3,668	\$ 3,077	\$ (591)
Debt service	294,819	294,819	258,907	(35,912)
Transfers	7,540	7,540	7,540	-
Total Expenditures	306,027	306,027	269,524	(36,503)
Ending fund balance	41,282	-	(18,827)	(18,827)
Total Expenditures and Ending Fund Balance	<u>\$ 347,309</u>	<u>\$ 306,027</u>	<u>\$ 250,697</u>	<u>\$ (55,330)</u>

CITY OF CLINTON

QUISENBERRY LIBRARY BOND AND INTEREST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ 4,000	\$ 4,000	\$ 11,617	\$ 7,617
Interest earned	10,000	10,000	19,502	9,502
Total receipts, other than taxes	14,000	14,000	31,119	17,119
Beginning fund balance	-	480,928	480,928	-
Total available, other than taxes	14,000	494,928	512,047	17,119
Ad valorem taxes to be provided by levy	666,273	666,273	644,169	(22,104)
Total Available From All Sources	\$ 680,273	\$ 1,161,201	\$ 1,156,216	\$ (4,985)
<u>EXPENDITURES</u>				
Other services and charges	\$ 7,841	\$ 7,841	\$ 7,332	\$ (509)
Debt service	629,000	629,000	567,634	(61,366)
Transfers to other funds	16,115	16,115	16,115	-
Total Expenditures	652,956	652,956	591,081	(61,875)
Ending fund balance	27,317	508,245	565,135	56,890
Total Expenditures and Ending Fund Balance	\$ 680,273	\$ 1,161,201	\$ 1,156,216	\$ (4,985)

CITY OF CLINTON

TAX INCREMENT FINANCING BOND AND INTEREST FUND - UNITED ARTISTS
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Transfers from other funds	\$ 22,324	\$ 23,004	\$ 22,324	\$ (680)
Receipt from Hinds County	21,175	21,175	21,017	(158)
Interest earned	<u>938</u>	<u>938</u>	<u>7</u>	<u>(931)</u>
Total Receipts	44,437	45,117	43,348	(1,769)
Beginning fund balance	<u>1,081</u>	<u>438</u>	<u>438</u>	<u>-</u>
Total Available From All Sources	<u>\$ 45,518</u>	<u>\$ 45,555</u>	<u>\$ 43,786</u>	<u>\$ (1,769)</u>
<u>EXPENDITURES</u>				
Debt service	\$ 45,518	\$ 45,555	\$ 45,549	\$ (6)
Total Expenditures	45,518	45,555	45,549	(6)
Ending fund balance	<u>-</u>	<u>-</u>	<u>(1,763)</u>	<u>(1,763)</u>
Total Expenditures and Ending Fund Balance	<u>\$ 45,518</u>	<u>\$ 45,555</u>	<u>\$ 43,786</u>	<u>\$ (1,769)</u>

CITY OF CLINTON

TAX INCREMENT FINANCING BOND AND INTEREST FUND - WALMART
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Transfers from other funds	\$ 75,510	\$ 75,510	\$ 75,510	\$ -
Receipt from Hinds County	35,007	35,000	35,000	-
Interest earned	-	-	267	267
Total Receipts	<u>110,517</u>	<u>110,510</u>	<u>110,777</u>	<u>267</u>
Beginning fund balance	<u>3,008</u>	<u>3,162</u>	<u>3,162</u>	<u>-</u>
Total Available From All Sources	<u>\$ 113,525</u>	<u>\$ 113,672</u>	<u>\$ 113,939</u>	<u>\$ 267</u>
<u>EXPENDITURES</u>				
Debt service	<u>\$ 110,510</u>	<u>\$ 110,510</u>	<u>\$ 109,510</u>	<u>\$ (1,000)</u>
Total Expenditures	<u>110,510</u>	<u>110,510</u>	<u>109,510</u>	<u>(1,000)</u>
Ending fund balance	<u>3,008</u>	<u>3,162</u>	<u>4,429</u>	<u>1,267</u>
Total Expenditures and Ending Fund Balance	<u>\$ 113,518</u>	<u>\$ 113,672</u>	<u>\$ 113,939</u>	<u>\$ 267</u>

CITY OF CLINTON

TAX INCREMENT FINANCING BOND AND INTEREST FUND - PARKWAY CENTER
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Transfers from other funds	\$ 23,830	\$ 23,830	\$ 23,831	\$ 1
Interest earned	-	-	69	69
Total Receipts	23,830	23,830	23,900	70
Beginning fund balance	882	935	936	1
Total Available From All Sources	<u>\$ 24,712</u>	<u>\$ 24,765</u>	<u>\$ 24,836</u>	<u>\$ 71</u>
<u>EXPENDITURES</u>				
Debt service	\$ 23,830	\$ 23,830	\$ 23,830	\$ -
Total Expenditures	23,830	23,830	23,830	-
Ending fund balance	882	935	1,006	71
Total Expenditures and Ending Fund Balance	<u>\$ 24,712</u>	<u>\$ 24,765</u>	<u>\$ 24,836</u>	<u>\$ 71</u>

CITY OF CLINTON

TAX INCREMENT FINANCING BOND AND INTEREST FUND - PRUGON
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Transfers from other funds	\$ 57,590	\$ 57,590	\$ 57,591	\$ 1
Interest earned	<u>-</u>	<u>-</u>	<u>147</u>	<u>147</u>
Total receipts	57,590	57,590	57,738	148
Beginning fund balance	<u>406</u>	<u>4,144</u>	<u>4,144</u>	<u>-</u>
Total Available From All Sources	<u>\$ 57,996</u>	<u>\$ 61,734</u>	<u>\$ 61,882</u>	<u>\$ 148</u>
<u>EXPENDITURES</u>				
Debt service	<u>\$ 57,590</u>	<u>\$ 57,590</u>	<u>\$ 57,840</u>	<u>\$ 250</u>
Total Expenditures	57,590	57,590	57,840	250
Ending fund balance	<u>406</u>	<u>4,144</u>	<u>4,042</u>	<u>(102)</u>
Total Expenditures and Ending Fund Balance	<u>\$ 57,996</u>	<u>\$ 61,734</u>	<u>\$ 61,882</u>	<u>\$ 148</u>

CITY OF CLINTON
HAMPSTEAD BOULEVARD CONSTRUCTION PROJECT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ 9,871	\$ 9,871
Total Receipts	-	-	9,871	9,871
Beginning fund balance	<u>582,061</u>	<u>345,754</u>	<u>345,754</u>	<u>-</u>
Total Available From All Sources	<u>\$ 582,061</u>	<u>\$ 345,754</u>	<u>\$ 355,625</u>	<u>\$ 9,871</u>
 <u>EXPENDITURES</u>				
Other services and charges	\$ 303,000	\$ 303,000	\$ -	\$ (303,000)
Transfers to other funds	<u>240,000</u>	<u>-</u>	<u>50,615</u>	<u>50,615</u>
Total Expenditures	543,000	303,000	50,615	(252,385)
Ending fund balance	<u>39,061</u>	<u>42,754</u>	<u>305,010</u>	<u>262,256</u>
Total Expenditures and Ending Fund Balance	<u>\$ 582,061</u>	<u>\$ 345,754</u>	<u>\$ 355,625</u>	<u>\$ 9,871</u>

CITY OF CLINTON

PARKS AND RECREATION PROJECT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ 2,071	\$ 2,071
Total Receipts	-	-	2,071	2,071
Beginning fund balance	81,419	82,958	82,958	-
Total Available From All Sources	<u>\$ 81,419</u>	<u>\$ 82,958</u>	<u>\$ 85,029</u>	<u>\$ 2,071</u>
<u>EXPENDITURES</u>				
Other services and charges	\$ 81,419	\$ 81,419	\$ -	\$ (81,419)
Capital outlay	-	-	12,007	12,007
Total Expenditures	81,419	81,419	12,007	(69,412)
Ending fund balance	-	1,539	73,022	71,483
Total Expenditures and Ending Fund Balance	<u>\$ 81,419</u>	<u>\$ 82,958</u>	<u>\$ 85,029</u>	<u>\$ 2,071</u>

CITY OF CLINTON

NORTHSIDE CORRIDOR PROJECT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ 420,000	\$ 462,610	\$ 276,748	\$ (185,862)
Interest earned	-	-	1,652	1,652
Total Receipts	420,000	462,610	278,400	(184,210)
Beginning fund balance	251,896	(42,610)	(42,610)	-
Total Available From All Sources	<u>\$ 671,896</u>	<u>\$ 420,000</u>	<u>\$ 235,790</u>	<u>\$ (184,210)</u>
<u>EXPENDITURES</u>				
Supplies	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Other services and charges	220,000	220,000	-	(220,000)
Capital outlay	-	-	224,707	224,707
Total Expenditures	420,000	420,000	224,707	(195,293)
Ending fund balance	251,896	-	11,083	11,083
Total Expenditures and Ending Fund Balance	<u>\$ 671,896</u>	<u>\$ 420,000</u>	<u>\$ 235,790</u>	<u>\$ (184,210)</u>

CITY OF CLINTON

LIBRARY CONSTRUCTION PROJECT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Over (Under)
	Original	Final		
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ 153,895	\$ 153,895
Other receipts	-	-	73,366	73,366
Total Receipts	-	-	227,261	227,261
Beginning fund balance	8,592,609	7,327,865	7,567,865	240,000
Total Available From All Sources	<u>\$ 8,592,609</u>	<u>\$ 7,327,865</u>	<u>\$ 7,795,126</u>	<u>\$ 467,261</u>
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,175,000	\$ 5,175,000	\$ -	\$ (5,175,000)
Capital outlay	-	-	5,464,411	5,464,411
Total Expenditures	3,175,000	5,175,000	5,464,411	289,411
Ending fund balance	5,417,609	2,152,865	2,330,715	177,850
Total Expenditures and Ending Fund Balance	<u>\$ 8,592,609</u>	<u>\$ 7,327,865</u>	<u>\$ 7,795,126</u>	<u>\$ 467,261</u>

CITY OF CLINTON

SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS AND OTHERS

September 30, 2009

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Rosemary Aultman	Mayor	Travelers Casualty and Surety	\$ 25,000
Jehu Brabham	Alderman-at-Large	Travelers Casualty and Surety	\$ 100,000
William Hisaw	Alderman, Ward 1	Travelers Casualty and Surety	\$ 100,000
Tony Greer	Alderman, Ward 2	Travelers Casualty and Surety	\$ 100,000
William Barnett	Alderman, Ward 3	Travelers Casualty and Surety	\$ 100,000
V. Kathy Peace	Alderman, Ward 4	Travelers Casualty and Surety	\$ 100,000
J. Michael Morgan	Alderman, Ward 5	Travelers Casualty and Surety	\$ 100,000
Michael P. Cashion	Alderman, Ward 6	Travelers Casualty and Surety	\$ 100,000
Russell Wall	City Clerk	Travelers Casualty and Surety	\$ 50,000
Russell Wall	Tax Assessor	Western Surety Company	\$ 50,000
Angela Richburg	Deputy City Clerk	Travelers Casualty and Surety	\$ 50,000
Don Byington	Police Chief	Western Surety Company	\$ 50,000
Blanket Position Bond	All employees	Western Surety Company *	\$ 25,000

* The blanket position bond was increased to \$50,000 effective October 5, 2009.

CITY OF CLINTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2009

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grant Number	Program or Award Amount	Receivable (Deferred) at October 1, 2008	Receipts	Receivable (Deferred) at September 30, 2009	Expenditures
U.S. DEPARTMENT OF AGRICULTURE							
Emergency Watershed Protection Program:							
Direct	10.923	68-4423-8-1800	\$ 66,485	\$ -	\$ 66,485	\$ -	\$ 66,485
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Passed Through Mississippi Development Authority:							
Community Development Block Grants/State's Program	14.228	R-103-147-01-KED	1,240,000	13,179	13,179	-	-
U.S. DEPARTMENT OF JUSTICE							
Drug Enforcement Administration State and Local Task Force Program:							
Direct	16.Unknown	N/A	-	1,011	9,097	-	8,086
Federal Equitable Sharing Program:							
Direct	16.MS0250300	N/A	-	(71,528)	22,703	(52,343)	41,888
Bulletproof Vest Partnership Program:							
Direct	16.607	N/A	-	-	1,561	-	1,561
Total U.S. Department of Justice				(70,517)	33,361	(52,343)	51,535
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through Mississippi Department of Transportation:							
Highway Planning and Construction	20.205	STPD-7306-00(004) 104102-801000	2,475,000	120,587	99,861	217,137	196,411
	20.205	TCSP-7306-00(002) 104102-701000	2,612,067	176,887	176,887	-	-
	20.205	STP-0049-00(016) 104915-701000	666,415	172,510	666,415	-	493,905
State and Community Highway Safety	20.600	09RS2061	49,500	-	25,965	23,535	49,500
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	09TA2061	21,751	-	21,112	639	21,751
Total U.S. Department of Transportation				469,984	990,240	241,311	761,567

(Continued)

CITY OF CLINTON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
Year Ended September 30, 2009

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grant Number</u>	<u>Program or Award Amount</u>	<u>Receivable (Deferred) at October 1, 2008</u>	<u>Receipts</u>	<u>Receivable (Deferred) at September 30, 2009</u>	<u>Expenditures</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY							
Passed Through Mississippi Department of Environmental Quality: Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF-C280805-04-0-ARSR	1,900,000	-	-	190,400	190,400
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF-C280805-04-0-ARSR	1,900,000	-	-	-	-
Total U.S. Environmental Protection Agency				<u>-</u>	<u>-</u>	<u>190,400</u>	<u>190,400</u>
U.S. DEPARTMENT OF HOMELAND SECURITY							
Passed Through Mississippi Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1604-DR-MS	548,102	1,030	-	1,030	-
	97.036	FEMA-1764-DR-MS	186,350	-	176,603	9,747	186,350
				<u>1,030</u>	<u>176,603</u>	<u>10,777</u>	<u>186,350</u>
Passed Through Mississippi Department of Public Safety: Homeland Security Grant Program	97.067	06HS147	138,953	9,477	14,727	-	5,250
	97.067	06LE147	99,750	-	99,750	-	99,750
	97.067	07HS147	9,620	-	9,620	-	9,620
	97.067	07LE147	9,332	-	9,332	-	9,332
				<u>9,477</u>	<u>133,429</u>	<u>-</u>	<u>123,952</u>
Total U.S. Department of Homeland Security				<u>10,507</u>	<u>310,032</u>	<u>10,777</u>	<u>310,302</u>
Grand Total - All Programs				<u>\$ 423,153</u>	<u>\$ 1,413,297</u>	<u>\$ 390,145</u>	<u>\$ 1,380,289</u>

Reconciliation of federal awards schedule to financial statements:

Expenditures of federal awards per schedule	\$ 1,380,289
Loan proceeds reflected as a liability in financial statements	(190,400)
Federal grant revenue per financial statements	<u>\$ 1,189,889</u>

Note: The schedule of expenditures of federal awards is presented on the accrual basis of accounting.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Clinton’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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	102 – 106
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the city’s ability to generate its property taxes.	107 – 110
Debt Capacity	
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.	111 – 115
Demographic and Economic Information	
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.	116 – 117
Operating Information	
These schedules contain information about the city’s operations and resources to help the reader understand how the city’s financial information relates to the services the city provides and the activities it performs.	118 – 120

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Schedule 1
City of Clinton
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)**

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$52,779,694	\$53,845,605	\$54,470,872	\$30,967,159	\$27,169,774	\$26,861,069	\$24,091,123
Restricted for:							
Capital projects	-	-	-	-	-	-	89,890
Debt service	1,063,256	924,770	27,463	104,783	117,890	216,422	224,243
Economic development	132,199	160,920	142,497	106,481	97,635	128,996	203,937
Public safety	-	-	-	-	-	7,022	16,721
Unrestricted	(673,005)	(810,946)	(725,237)	434,830	207,107	(835,299)	(404,180)
Total governmental activities net assets	53,302,144	54,120,349	53,915,595	31,613,253	27,592,406	26,378,210	24,221,734
Business-type activities							
Invested in capital assets, net of related debt	\$12,044,591	\$12,087,642	\$11,696,661	\$11,414,089	\$12,223,511	\$13,158,192	\$13,389,320
Restricted for:							
Capital projects	705,560	724,163	707,078	709,116	737,121	1,058,020	912,779
Debt service	251,896	148,252	153,187	153,507	158,313	156,890	157,817
Unrestricted	2,647,785	2,004,915	1,776,539	1,317,923	1,517,795	1,908,061	2,380,699
Total business-type activities net assets	\$ 15,649,832	\$ 14,964,972	\$ 14,333,465	\$ 13,594,635	\$ 14,636,740	\$ 16,281,163	\$ 16,840,615
Primary government							
Invested in capital assets, net of related debt	\$ 64,824,285	\$ 65,933,247	\$ 66,167,533	\$ 42,381,248	\$ 39,393,285	\$ 40,019,261	\$ 37,480,443
Restricted for:							
Capital projects	705,560	724,163	707,078	709,116	737,121	1,058,020	1,002,669
Debt service	1,315,152	1,073,022	180,650	258,290	276,203	373,312	382,060
Economic development	132,199	160,920	142,497	106,481	97,635	128,996	203,937
Public safety	-	-	-	-	-	7,022	16,721
Unrestricted	1,974,780	1,193,969	1,051,302	1,752,753	1,724,902	1,072,762	1,976,519
Total primary government net assets	\$ 68,951,976	\$ 69,085,321	\$ 68,249,060	\$ 45,207,888	\$ 42,229,146	\$ 42,659,373	\$ 41,062,349

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Schedule 2
City of Clinton
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities:							
General government	\$ 1,228,162	\$ 1,201,743	\$ 1,249,825	\$ 1,172,479	\$ 1,161,010	\$ 1,086,798	\$ 1,014,001
Public safety	7,073,641	7,134,969	7,431,687	7,080,151	6,847,513	6,443,036	5,908,854
Public works	4,833,401	4,685,385	3,836,761	3,452,165	3,255,356	3,060,639	2,879,876
Culture and recreation	1,879,882	1,926,502	1,787,511	1,676,823	1,414,397	1,219,893	1,036,787
Economic development	344,131	234,758	837,315	135,868	148,948	145,971	136,369
Interest and fiscal charges on long term debt	928,450	685,012	686,384	611,831	596,185	351,396	396,780
Total governmental activities expenses	16,287,667	15,868,369	15,829,483	14,129,317	13,423,409	12,307,733	11,372,667
Business-type activities:							
Water	2,346,405	2,503,630	2,541,141	2,482,614			
Sewer	3,009,499	3,098,919	2,964,712	2,974,735			
Total Water and sewer	5,355,904	5,602,549	5,505,853	5,457,349	5,240,282	5,060,824	4,950,882
Garbage collection	1,459,153	1,372,285	1,203,390	1,157,350	1,078,549	979,993	932,363
Total business-type activities expenses	6,815,057	6,974,834	6,709,243	6,614,699	6,318,831	6,040,817	5,883,245
Total primary government expenses	\$ 23,102,724	\$ 22,843,203	\$ 22,538,726	\$ 20,744,016	\$ 19,742,240	\$ 18,348,550	\$ 17,255,912
Program Revenues							
Governmental activities:							
Charges for Services:							
General government	\$ 43,106	\$ 41,853	\$ 53,398	\$ 66,944	\$ -	\$ -	\$ -
Public safety	606,184	728,753	615,543	644,333	474,684	341,573	376,717
Public works	-	-	2,701	-	4,180	980	540
Culture and recreation	70,769	92,264	74,893	73,856	50,624	30,532	11,145
Operating grants and contributions	415,524	186,256	371,603	232,944	596,968	391,053	247,526
Capital grants and contributions	957,001	2,808,410	25,759,946	4,272,198	1,110,098	3,050,960	558,635
Total governmental activities program revenues	2,092,584	3,857,536	26,878,084	5,290,275	2,236,554	3,815,098	1,194,563
Business-type activities:							
Charges for services:							
Water	3,241,835	3,127,139	2,974,619	2,595,539			
Sewer	2,672,842	2,564,094	2,327,178	2,014,796			
Total Water and sewer	5,914,677	5,691,233	5,301,797	4,610,335	4,368,760	4,219,031	4,135,457
Garbage collection	1,490,615	1,466,542	1,398,013	1,326,743	1,135,144	988,470	857,352
Operating grants and contributions	-	-	111,419	83,090	-	-	-
Capital grants and contributions	-	267,973	312,490	376,928	61,917	176,750	74,308
Total business-type activities program revenues	7,405,292	7,425,748	7,123,719	6,397,096	5,565,821	5,384,251	5,067,117
Total primary government program revenues	\$ 9,497,876	\$ 11,283,284	\$ 34,001,803	\$ 11,687,371	\$ 7,802,375	\$ 9,199,349	\$ 6,261,680

Schedule 2 (continued)
City of Clinton
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue							
Governmental activities	\$(14,195,083)	\$(12,010,833)	\$ 11,048,601	\$ (8,839,042)	\$(11,186,855)	\$ (8,492,635)	\$(10,178,104)
Business-type activities	590,235	450,914	414,476	(217,603)	(753,010)	(656,566)	(816,128)
Total primary government net expense	\$(13,604,848)	\$(11,559,919)	\$ 11,463,077	\$ (9,056,645)	\$(11,939,865)	\$ (9,149,201)	\$(10,994,232)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 7,406,761	\$ 6,180,192	\$ 5,592,005	\$ 6,140,450	\$ 6,333,652	\$ 5,794,411	\$ 5,374,262
Local sales tax	125,381	118,467	103,974	109,364	90,723	69,403	81,288
Franchise charges based on gross receipts	731,354	791,583	716,451	856,104	727,125	679,315	662,865
Grants and contributions							
State grants and shared revenues	4,685,473	4,896,394	4,767,196	4,694,966	3,997,194	3,884,441	3,953,387
County shared revenues	96,706	89,871	70,215	69,465	65,213	64,247	64,798
Interest	237,136	125,437	181,607	104,738	140,371	80,273	108,062
Miscellaneous	94,067	13,673	12,644	6,642	85,258	77,021	51,196
Transfers	-	-	(190,381)	878,160	961,515	-	(204)
Total governmental activities	13,376,878	12,215,617	11,253,711	12,859,889	12,401,051	10,649,111	10,295,654
Business-type activities:							
Interest	94,625	151,627	123,259	53,658	70,102	97,114	116,470
Miscellaneous	-	28,966	10,714	-	-	-	-
Transfers	-	-	190,381	(878,160)	(961,515)	-	204
Total business-type activities	94,625	180,593	324,354	(824,502)	(891,413)	97,114	116,674
Total primary government	\$ 13,471,503	\$ 12,396,210	\$ 11,578,065	\$ 12,035,387	\$ 11,509,638	\$ 10,746,225	\$ 10,412,328
Change in Net Assets							
Governmental activities	\$ (818,205)	\$ 204,784	\$ 22,302,312	\$ 4,020,847	\$ 1,214,196	\$ 2,156,476	\$ 117,550
Business-type activities	684,860	631,507	738,830	(1,042,105)	(1,644,423)	(559,452)	(699,454)
Total primary government	\$ (133,345)	\$ 836,291	\$ 23,041,142	\$ 2,978,742	\$ (430,227)	\$ 1,597,024	\$ (581,904)

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
The City began to segregate water and sewer activities in the fiscal year 2006.

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

	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,749
Unreserved	913,471	1,032,351	1,178,097	2,163,452	1,659,269	1,859,017	1,994,892	2,330,866	2,970,518	2,643,537
Total general fund	<u>\$ 913,471</u>	<u>\$ 1,032,351</u>	<u>\$ 1,178,097</u>	<u>\$ 2,163,452</u>	<u>\$ 1,659,269</u>	<u>\$ 1,859,017</u>	<u>\$ 1,994,892</u>	<u>\$ 2,330,866</u>	<u>\$ 2,970,518</u>	<u>\$ 2,725,286</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	132,199	160,920	142,467	106,463	97,635	136,018	220,658	136,325	155,088	158,340
Debt service funds	624,053	469,920	45,546	125,103	236,469	216,422	224,243	298,845	334,231	271,953
Capital projects fund	2,637,480	8,217,203	735,457	2,321,412	3,397,029	(25,828)	602,561	377,504	409,202	1,863,732
Total all other governmental funds	<u>\$ 3,393,732</u>	<u>\$ 8,848,043</u>	<u>\$ 923,470</u>	<u>\$ 2,552,978</u>	<u>\$ 3,731,133</u>	<u>\$ 326,612</u>	<u>\$ 1,047,462</u>	<u>\$ 812,674</u>	<u>\$ 898,521</u>	<u>\$ 2,294,025</u>

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

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Property taxes	\$ 7,406,762	\$ 6,180,193	\$ 5,592,004	\$ 6,140,451	\$ 6,333,652	\$ 5,794,411	\$ 5,374,263	\$ 5,029,178	\$ 4,828,605	\$ 4,724,381
Licenses and permits	833,155	926,357	858,179	1,038,820	888,356	774,470	742,239	691,101	742,144	622,042
Intergovernmental	6,253,242	6,168,178	5,820,982	7,949,043	4,989,247	5,637,951	4,879,358	4,029,531	7,719,466	9,303,123
Charges for services	87,574	122,907	117,205	87,287	66,869	41,667	16,580	20,860	10,542	7,638
Fines and forfeitures	521,252	597,229	469,583	481,673	301,558	236,263	292,447	348,818	259,239	289,691
Special assessments	27,037	-	-	-	-	-	-	-	-	-
Interest	237,135	125,436	181,606	104,738	140,371	80,273	104,734	62,345	160,595	144,735
Contributions	26,844	170,301	74,521	10,363	36,163	186,727	-	-	-	-
Miscellaneous	264,221	179,466	184,570	235,656	183,002	200,672	197,067	207,742	180,526	433,025
Total revenues	15,657,222	14,470,067	13,298,650	16,048,031	12,939,218	12,952,434	11,606,688	10,389,575	13,901,117	15,524,635
Expenditures										
General government	1,329,550	1,278,437	1,324,171	1,259,455	1,248,345	1,182,998	1,086,016	939,228	833,165	848,115
Public safety	6,943,292	6,708,614	6,949,936	6,678,961	6,327,787	5,858,567	5,315,644	5,172,978	4,761,558	4,617,024
Public works	1,843,458	1,821,997	1,793,781	1,766,389	1,670,618	1,534,478	1,435,214	1,260,670	1,070,560	1,037,720
Culture and recreation	1,279,317	1,271,219	1,255,120	1,116,715	999,511	850,225	701,510	676,953	646,000	572,333
Economic development	345,591	231,360	381,262	147,232	148,190	144,742	135,315	125,034	158,261	110,387
Miscellaneous	-	-	-	-	-	-	-	65,651	52,238	36,852
Debt service: Principal	1,357,110	941,078	1,213,184	1,058,352	1,448,231	891,152	820,284	823,129	819,086	739,711
Interest and fiscal charges	947,421	767,730	284,171	792,319	561,584	355,332	404,965	450,412	466,144	443,949
Capital outlay	7,371,931	1,837,775	3,056,758	8,987,111	7,100,155	3,480,012	2,059,423	1,611,652	6,892,887	7,720,437
Total expenditures	21,417,670	14,858,210	16,258,383	21,806,534	19,504,421	14,297,506	11,958,371	11,125,707	15,699,899	16,126,528
Excess of revenues over (under) expenditures	(5,760,448)	(388,143)	(2,959,733)	(5,758,503)	(6,565,203)	(1,345,072)	(351,683)	(736,132)	(1,798,782)	(601,893)
Other Financing Sources (Uses)										
Capital lease proceeds	187,257	166,970	-	-	1,058,461	241,740	244,593	-	646,442	191,570
Loan proceeds	-	-	-	-	7,750,000	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	10,060	11,285	-	8,017
Bond issue proceeds	-	8,000,000	485,000	3,870,000	-	250,000	-	-	-	1,200,000
Bond issue costs	-	-	-	-	-	-	-	-	-	(56,105)
Operating transfers in	179,256	840,068	830,291	1,335,930	1,065,140	165,814	540,502	163,036	151,756	194,217
Operating transfers out	(179,256)	(840,068)	(970,427)	(457,770)	(103,625)	(169,207)	(544,658)	(163,036)	(148,873)	(189,466)
Total other financing sources (uses)	187,257	8,166,970	344,864	4,748,160	9,769,976	488,347	250,497	11,285	649,325	1,348,233
Net change in fund balance	\$ (5,573,191)	\$ 7,778,827	\$ (2,614,869)	\$ (1,010,343)	\$ 3,204,773	\$ (856,725)	\$ (101,186)	\$ (724,847)	\$ (1,149,457)	\$ 746,340
Debit service as a percentage of noncapital expenditures	16.4%	13.1%	11.3%	14.4%	16.2%	11.5%	12.4%	13.4%	14.6%	14.1%

**Schedule 5
City of Clinton
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Public Utilities And Automobiles</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate (2)</u>	<u>Estimated Actual Value of Taxable Property</u>
2009	\$ 80,434,868	\$ 58,550,795	\$ 17,684,799	\$ 45,440,463	\$ 12,879,933	\$ 189,230,992	38.74	1,335,254,853
2008	59,165,987	44,886,013	19,591,360	46,949,701	11,912,549	158,680,512	38.74	1,058,882,537
2007	57,797,679	44,014,707	17,810,025	50,433,045	11,577,107	158,478,349	35.74	1,042,480,750
2006	63,525,005	46,639,628	16,710,810	47,487,431	11,782,303	162,580,571	35.74	1,098,054,710
2005	61,364,882	47,867,460	15,884,613	45,539,653	12,869,729	157,786,879	35.74	1,061,764,193
2004	65,593,266	41,425,915	15,146,681	45,741,111	12,662,371	155,244,602	35.74	1,058,929,960
2003	63,584,907	38,980,962	16,086,360	43,968,434	12,263,714	150,356,949	35.74	1,026,888,857
2002	54,638,448	33,553,411	17,366,682	42,805,846	11,188,605	137,175,782	35.74	916,651,870
2001	52,816,966	31,126,402	13,906,877	41,171,367	10,484,039	128,537,573	35.74	860,789,020
2000	51,192,814	30,798,164	12,338,486	40,707,115	10,183,515	124,853,064	36.22	833,361,040

(1) Source: Hinds County Tax Assessor.

(2) Tax Rate per \$1,000 of assessed value.

(3) Property values in the annexed area were not included in the 2007 taxable assessed value because of a lawsuit objecting to the annexation.

(4) Residential and Commercial property was reassessed for the 2009 fiscal year.

Notes: Property in Hinds County is reassessed once every four years on average. The county assesses property at approximately 10 percent of actual value for residential property, 15 percent for commercial and personal property, and 30 percent for public utilities and automobiles. Tax rates are per \$1,000 of assessed value.

**Schedule 6
City of Clinton
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)**

Fiscal Year	City of Clinton			Total	Overlapping Rates (a)		Total
	General Fund	Debt Service Fund	Fire & Police Pension Fund		Clinton Public School District	Hinds County (1)	
2009	31.33	6.70	0.71	38.74	54.57	37.33	130.64
2008	32.82	5.05	0.87	38.74	54.57	39.12	132.43
2007	33.67	1.50	0.57	35.74	54.57	39.12	129.43
2006	33.67	1.50	0.57	35.74	54.57	39.12	129.43
2005	33.54	1.90	0.30	35.74	54.57	39.12	129.43
2004	33.28	2.25	0.21	35.74	54.57	39.12	129.43
2003	33.28	2.35	0.11	35.74	51.82	37.41	124.97
2002	32.90	2.35	0.49	35.74	52.22	37.41	125.37
2001	31.55	3.70	0.49	35.74	52.82	35.41	123.97
2000	31.55	3.70	0.97	36.22	53.32	35.41	124.95

(1) Source: Hinds County Chancery Clerk.

Notes: The city may not levy ad valorem taxes in any fiscal year which would render in total receipts from all levies an amount more than the receipts from that source during any one of the immediately preceding three fiscal years, as determined by the levying governing authority, plus, at the option of the taxing authority, an increase not to exceed ten percent of such receipts. Property added as new growth is exempted from the ten percent increase limitation. Levies for debt service are set based on each year's requirements.

(a) Overlapping rates are those of school districts and county governments that apply to property owners within the City of Clinton. All property owners within the City of Clinton pay the overlapping rates.

**Schedule 7
City of Clinton
Principal Property Tax Payers
Current Year and Five Years Ago**

<u>Name of Taxpayer</u>	<u>2008 Assessed Property Valuation (1)</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2003 Assessed Property Valuation (1)</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Entergy	10,641,609	1	6.89%	7,133,081	1	5.98%
Delphi Automotive Systems	3,102,017	2	2.01%	5,203,792	3	4.36%
SC Clinton MS LLC	2,865,290	3	1.86%	0	0	0.00%
Reserve at Woodchase	2,090,316	4	1.35%	1,777,817	7	1.49%
Wal-Mart Stores	1,684,723	5	1.09%	3,553,878	4	2.98%
BellSouth	1,605,731	6	1.04%	1,846,289	6	1.55%
Clinton Assisted Living	1,145,832	7	0.74%	1,058,122	9	0.89%
CA New Plan Venture	1,030,021	8	0.67%	0		0.00%
Home Depot, USA	977,394	9	0.63%	0	0	0.00%
Ridgeview West LLC	585,078	10	0.38%	0		0.00%
MCI, Inc.	0		0.00%	5,685,616	2	4.77%
EDS Information Systems	0		0.00%	2,542,673	5	2.13%
Gulf States Cannery	529,568		0.34%	1,615,347	8	1.35%
Leon V Ghetti	0		0.00%	887,652	10	0.74%
Total taxable assessed value of ten largest taxpayers	26,257,579		17.01%	31,304,267		26.24%
Total taxable assessed value of remaining taxpayers	128,080,534		82.99%	87,991,093		73.76%
Total taxable assessed value of all taxpayers	154,338,113		100.00%	119,295,360		100.00%

Source: Hinds County Tax Collector and Hinds County Tax Assessor.

Note: 2003 was the earliest year readily available for this schedule.

Total taxable assessed value excludes automobiles.

**Schedule 8
City of Clinton
Property Tax Levies and Collections (1)
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (2)	Current Tax Collections (3)	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a % of Current Levy
2009	\$ 7,269,589	\$ 7,225,679	99.4%	\$ 55,930	\$ 7,281,609	100.2%
2008	6,147,283	6,058,013	98.5%	59,657	6,117,670	99.5%
2007	5,631,744	5,507,544	97.8%	40,931	5,548,475	98.5%
2006	5,794,159	5,559,586	96.0%	42,935	5,602,521	96.7%
2005	5,776,372	5,675,721	98.3%	39,568	5,715,289	98.9%
2004	5,167,135	5,139,047	99.5%	34,502	5,173,549	100.1%
2003	5,001,308	4,944,411	98.9%	32,415	4,976,826	99.5%
2002	4,602,709	4,547,684	98.8%	37,854	4,585,538	99.6%
2001	4,302,807	4,260,669	99.0%	40,313	4,300,982	100.0%
2000	4,237,610	4,202,672	99.2%	12,241	4,214,913	99.5%

(1) All taxes are collected by the Hinds County Tax Collector. Taxes collected on behalf of the Clinton Public School District are remitted directly to the District.

(2) Taxes levied on all real and personal property.

(3) Includes taxes, penalties and interest and net of commissions withheld by Hinds County Tax Collector.

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Incremental Limited Bonds	Notes Payable	Capital Leases	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases			
2009	\$ 11,423,829	\$ 1,705,500	\$ 7,633,026	\$ 683,292	\$ 1,421,171	\$ 600,000	\$ 13,691,741	\$ 165,345	\$ 37,323,904	3.68%	\$ 1,418
2008	12,054,092	1,841,000	7,973,665	746,743	1,610,908	700,000	14,371,561	229,294	39,527,263	3.97%	1,497
2007	4,414,923	1,960,000	8,191,085	823,600	1,790,077	795,000	15,216,424	260,044	33,451,153	3.36%	1,267
2006	5,195,000	1,554,000	8,357,834	1,010,958	1,515,000	885,000	15,811,793	304,235	34,633,820	3.48%	1,312
2005	1,550,000	1,632,000	8,439,154	1,214,990	1,655,000	970,000	13,859,057	275,194	29,595,395	2.98%	1,184
2004	1,760,000	1,705,000	767,394	803,520	1,795,000	1,055,000	12,207,162	264,880	20,357,956	2.05%	814
2003	1,960,000	1,515,000	843,720	706,606	1,930,000	1,135,000	12,607,261	223,401	20,920,988	2.10%	896
2002	2,150,000	1,570,000	916,854	584,163	1,400,000	1,210,000	12,241,507	136,831	20,209,355	2.03%	866
2001	2,380,000	1,620,000	987,432	716,714	2,165,000	1,280,000	11,644,775	235,085	21,029,006	2.11%	901
2000	2,710,000	1,635,000	1,054,679	147,110	2,470,000	1,345,000	8,869,878	218,259	18,449,926	1.85%	790

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

Notes: In fiscal year 2006 the city issued \$3.8 million in general obligation bonds in governmental activities, and borrowed on a note \$2.5 million in business-type activities.

In fiscal year 2008 the city issued \$8.0 million in general obligation bonds in governmental activities for the construction of a public library.

See Schedule 14 for personal income and population data.

**Schedule 10
City of Clinton
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Popula- tion (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Obligation Bonds (3, 4)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value</u>	<u>Bonded Debt per Capita (5)</u>
2009	26,313	\$ 1,335,254,853	\$ 12,845,000	0.96%	\$ 488
2008	** 26,400	1,058,882,537	13,665,000	1.29%	518
2007	** 26,400	1,042,480,750	6,205,000	0.60%	235
2006	** 26,400	1,098,054,710	6,710,000	0.61%	254
2005	* 25,000	1,061,764,193	3,205,000	0.30%	128
2004	* 25,000	1,058,929,960	3,555,000	0.34%	142
2003	23,347	1,026,888,857	3,890,000	0.38%	167
2002	23,347	916,651,870	4,200,000	0.46%	180
2001	23,347	860,789,020	4,545,000	0.53%	195
2000	23,347	833,361,040	5,180,000	0.62%	222

* Includes 1,653 additional individuals in area annexed June 16, 2004.

** Estimated by the Central Mississippi Planning and Development District

(1) Source: United States Census Bureau.

(2) See Schedule 5

(3) Amounts do not include special assessment bonds and revenue bonds.

(4) Amounts include general obligation bonds that are being repaid from the Water and Sewer Operations Fund.

(5) See Schedule 14 for population data.

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

**Schedule 11
City of Clinton
Direct and Overlapping Governmental Activities Debt
As of September 30, 2009**

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City of Clinton (1)</u>	<u>Amount Applicable to City of Clinton</u>
Overlapping:			
Clinton Separate School District	\$ 22,545,000	82.2% (1)	18,524,470
Hinds County	\$ 47,960,000	11.3% (1)	<u>5,405,412</u>
			<u>23,929,882</u>
Direct:			
City of Clinton	\$ 11,423,829 *	100.0%	<u>\$ 11,423,829</u>
Total Direct and Overlapping Debt			<u><u>\$ 35,353,711</u></u>

Sources: City Clerk Office, Clinton Public School District, & Hinds County Chancery Clerk.

Note: * Excludes general obligation bonds to be repaid by the Water and Sewer Operations Fund.

(1) Based on the portion of the estimated actual value of taxable property located within the city.

Schedule 12
City of Clinton
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
AUTHORIZED DEBT LIMIT 15% RULE										
Assessed value of taxable property	\$ 202,111	\$ 170,593	\$ 170,055	\$ 174,363	\$ 170,657	\$ 155,243	\$ 153,189	\$ 137,176	\$ 128,538	\$ 124,853
Debt limitation - 15% of net assessed value	30,317	25,589	25,508	26,154	25,599	23,286	22,978	20,576	19,281	18,728
Less subject indebtedness:										
General obligation bond	11,424	12,054	4,415	5,195	1,550	1,760	1,960	2,150	2,380	2,710
Tax increment limited obligation bonds	1,705	1,841	1,960	1,554	1,632	1,705	1,515	1,570	1,620	1,635
Legal debt margin under 15 percent rule	\$ 17,188	\$ 11,694	\$ 19,133	\$ 19,405	\$ 22,417	\$ 19,821	\$ 19,503	\$ 16,856	\$ 15,281	\$ 14,383
AUTHORIZED DEBT LIMIT 20% RULE										
Assessed value of taxable property	\$ 202,111	\$ 170,593	\$ 170,055	\$ 174,363	\$ 170,657	\$ 155,243	\$ 153,189	\$ 137,176	\$ 128,538	\$ 124,853
Debt limitation - 20% of net assessed value	\$ 40,422	\$ 34,119	\$ 34,011	\$ 34,873	\$ 34,131	\$ 31,049	\$ 30,638	\$ 27,435	\$ 25,708	\$ 24,971
Less subject indebtedness:										
General obligation bond	12,845	13,665	6,205	6,710	3,205	3,555	3,890	4,200	4,545	5,180
Tax increment limited obligation bonds	1,705	1,841	1,960	1,554	1,632	1,705	1,515	1,570	1,620	1,635
Other	849	976	1,084	1,315	1,490	1,068	930	720	952	365
Legal debt margin under 20 percent rule	\$ 25,023	\$ 17,637	\$ 24,762	\$ 25,294	\$ 27,804	\$ 24,721	\$ 24,303	\$ 20,945	\$ 18,591	\$ 17,791
Total net debt applicable to the limit as a percentage of debt limit 15% rule	43.31%	54.30%	24.99%	25.80%	12.43%	14.88%	15.12%	18.08%	20.75%	23.20%
Total net debt applicable to the limit as a percentage of debt limit 20% rule	38.10%	48.31%	27.19%	27.47%	18.54%	20.38%	20.68%	23.66%	27.68%	28.75%

As set forth by the Mississippi Code, section 21-33-303, no municipality shall issue bonds for the purposes authorized by law in amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed 15% of the assessed value of the taxable property within such municipality. In computing such indebtedness there may be deducted all bonds or other evidences of indebtedness for school, water, sewerage systems, and for the construction of special improvements primarily chargeable to the property benefited.

In addition, in no case shall any municipality contract any indebtedness which, when added to all the outstanding indebtedness, both bonded and floating, shall exceed 20% of the assessed value of all taxable property within such municipality.

In 2008 a General Obligation Bond for \$8,000,000 was issued for the construction of a public library.

Residential and Commercial property was reassessed for the 2009 fiscal year.

**Schedule 13
City of Clinton
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)**

Fiscal Year	Water and Sewer Revenue Bonds						Tax Increment Financing Bonds				Notes Payable to State of Mississippi			
	Revenues	Less: Expenses (1)	Net Available Revenue	Debt Service		Coverage	Incremental Property Taxes Collected (2)	Debt Service		Coverage	Sales Tax (3)	Debt Service		Coverage
				Principal	Interest			Principal	Interest			Principal	Interest	
2009	\$ 5,985	\$ 4,077	1,908	\$ 100	\$ 37	13.93	\$ 235	\$ 136	\$ 101	0.99	\$ 4,205	\$ 1,211	\$ 704	2.20
2008	5,769	4,217	1,552	95	42	11.33	230	120	106	1.02	4,305	1,062	741	2.39
2007	5,341	4,127	1,214	90	47	8.86	165	79	86	1.00	4,152	897	730	2.55
2006	4,638	4,111	527	85	51	3.88	169	78	91	1.00	4,017	726	881	2.50
2005	4,435	3,888	547	85	55	3.91	154	73	90	0.94	3,337	653	410	3.14
2004	4,314	3,696	618	80	59	4.45	149	60	87	1.01	3,294	603	166	4.28
2003	4,247	3,575	672	75	63	4.87	147	55	91	1.01	3,341	573	87	5.06
2001	4,162	3,605	557	70	67	4.07	145	50	94	1.01	3,083	282	93	8.22
2001	3,934	3,124	810	65	70	6.00	111	15	91	1.05	3,214	136	98	13.74
2000	4,224	2,700	1,524	60	72	11.55	34	10	24	1.00	3,109	130	104	13.29

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

- (1) Expenses do not include revenue bond interest, depreciation, or amortization expenses.
- (2) Incremental property taxes include the portions received from the county as well as the transfers from the city's other funds.
- (3) Represents the City's 18.5% share of the 7% state sales tax, which is remitted to the City by the State of Mississippi.

**Schedule 14
City of Clinton
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Popula- tion (1)	Per Capita Income (4) **	Total Personal Income	Median Age (1)	Education Level in Years of Formal Schooling (1)	School Enrollment (3)	Unemploy- ment Rate (4)
2009	26,313	\$ 38,502	1,013,103,126	35.2	14.1	4,635	7.9%
2008	26,400	\$ 37,679	994,725,600	33.1	14.1	4,718	4.1%
2007	26,400	\$ 36,292	958,108,800	33.1	14.1	4,752	5.3%
2006	26,400	\$ 33,579	886,485,600	33.1	14.1	4,859	5.0%
2005 *	25,000	\$ 33,579	839,475,000	33.1	14.1	4,956	7.2%
2004 *	25,000	\$ 31,054	776,350,000	33.1	14.1	4,835	5.0%
2003	23,347	\$ 28,965	676,256,174	33.1	14.1	4,956	3.7%
2002	23,347	\$ 28,013	654,017,410	33.1	14.1	4,847	5.1%
2001	23,347	\$ 27,197	634,968,359	33.1	14.1	4,887	4.2%
2000	23,347	\$ 26,290	613,792,630	33.1	14.1	4,940	3.4%

(1) Source: United States Census Bureau.

(2) Source: Central Mississippi Planning and Development District.

(3) Source: Clinton Public School District.

(4) Source: Mississippi Employment Security Commission.

Notes:

* Includes 1,653 additional individuals in area annexed June 16, 2004.

** Applicable to Hinds County.

**Schedule 15
City of Clinton
Principal Employers
Current Year and Four Years Ago**

<u>Employer</u>	<u>2009</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
MCI/Skytel	-	0.00%	1,148	8.21%
Delphi Corporation	400	3.07%	1,135	8.12%
Clinton Public School District	623	4.78%	600	4.29%
Wal-Mart SuperCenter	526	4.03%	500	3.58%
Mississippi College	465	3.57%	450	3.22%
City of Clinton	217	1.66%	201	1.44%
Kroger	223	1.71%	130	0.93%
Winn-Dixie Stores, Inc.	-	0.00%	110	0.79%
Verizon	185	1.42%	-	0.00%
FEMA	175	1.34%	-	0.00%
Reznick Insurance	123	0.94%	-	0.00%
Home Depot	109	0.84%	-	0.00%
Total	3,046	23.36%	4,274	30.57%

Source: City of Clinton Economic Development Department

Notes: Employer information could only be found on companies with 100 or more employees.

Information for this schedule was not available prior to 2005.

Schedule 16
City of Clinton
Full-time-Equivalent City Government Employees by Function/Program
Current Year and Seven Previous Years

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of September 30th</u>							
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government								
Mayor and Alderman	9	9	9	9	9	9	9	9
Administration	5	6	7	7	7	7	7	7
Court	3	3	3	3	2	2	2	2
Planning/Zoning and Inspections	5	4	4	4	3	3	3	3
Police								
Officers	48	48	50	52	49	45	39	43
Civilians	14	14	14	15	14	15	13	14
Fire								
Fire fighters and Officers	45	47	45	45	44	49	47	45
Civilians	1	1	1	1	1	1	1	1
Public Works								
Street	26	24	25	23	22	21	21	20
Water	18	19	18	20	16	16	18	17
Wastewater	11	11	11	14	15	15	15	16
Parks and Recreation	19	17	15	16	18	16	13	11
Mainstreet	1	1	1	0	0	0	0	0
Economic Development	1	0	0	0	0	0	0	0
Total	204	203	202	209	200	199	188	188

Source: City Clerk Office

Notes: Due to annexation during 2004 the Fire, Police, and Public Works departments were granted additional staff.

Schedule 17
City of Clinton
Operating Indicators by Function/Program
Last Six Years

Function/Program	Fiscal Year					
	2009	2008	2007	2006	2005	2004
General government						
Building permits issued	73	97	112	162	176	141
Police						
Physical arrests	1,203	1,240	1,647	1,451	1,042	1,016
Parking violations	259	683	2,898	3,706	3,529	2,428
Traffic violations	5,152	5,260	613	317	113	134
Fire						
Emergency responses	2,082	2,065	1,884	1,918	2,086	1,848
Fires extinguished	70	87	103	*	*	*
Inspections	250	438	300	40	147	172
Water						
New connections	80	154	168	162	176	141
Total connections	8,731	8,644	8,867	8,908	8,200	7,994
Average daily consumption (millions of gallons)	3.3	3.3	3.3	3.5	3.5	3.5
Peak daily consumption (millions of gallons)	3.6	4.1	4.1	4.7	4.7	4.7
Wastewater						
Total connections	7,840	7,763	8,851	8,088	7,458	7,252
Average daily consumption (millions of gallons)	3.1	2.6	2.6	3.2	3.2	3.2
Peak daily consumption (millions of gallons)	8.8	10.1	10.1	10.3	10.3	10.3

* Information not available.

Sources: Various city departments

Schedule 18
City of Clinton
Capital Asset Statistics by Function/Program
Last Six Years

<u>Function/Program</u>	<u>Fiscal Year</u>					
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Police						
Stations	1	1	1	1	1	1
Patrol units	34	30	33	33	32	32
Fire						
Fire stations	3	3	3	3	3	3
Streets						
Miles of Streets	174	174	174	160	159	159
Streetlights	2,382	2,382	2,362	2,346	2,310	2,195
Traffic signals	26	26	23	22	21	19
Water						
Miles of water mains	156	156	156	101	156	152
Number of fire hydrants	1,443	1,439	1,425	1,364	1,361	1,311
Wastewater						
Miles of sanitary sewers	106	106	105	83	104	99
Miles of storm sewers	85	85	84	74	84	66
Number of treatment plants	4	4	4	4	4	4
Parks and recreation						
Parks	5	5	5	4	3	3
Acreage	210	210	210	189	160	160
Playgrounds	5	5	5	4	3	3
Baseball/Softball diamonds	14	14	14	14	14	14
Soccer fields	11	11	10	9	9	11
Tennis courts	10	10	9	9	3	3
Basketball courts	3	3	3	3	3	3
Volleyball courts	2	2	2	-	-	-
Community Centers	1	1	1	1	1	-
Walking Trails	6	6	5	4	3	3

Sources: Various city departments

INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND INTERNAL CONTROL

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**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**

The Honorable Mayor and Board of Aldermen
City of Clinton
Clinton, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Mississippi (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 2, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

(Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

We noted certain matters that we reported to management of the City in a separate letter dated March 2, 2010.

This report is intended solely for the information and use of the Mayor and Board of Aldermen of the City, its management, the Mississippi Office of the State Auditor, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Tom. Brown + Russ Co.

March 2, 2010

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and Board of Aldermen
City of Clinton
Clinton, Mississippi

Compliance

We have audited the compliance of the City of Clinton, Mississippi (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2009. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2009.

(Continued)

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and Board of Aldermen of the City, its management, the Mississippi Office of the State Auditor, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Tamm, Brown + Rosen Co.

March 2, 2010

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**REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

The Honorable Mayor and Board of Aldermen
City of Clinton
Clinton, Mississippi

We have audited the accompanying financial statements of the City of Clinton, Mississippi (the City) as of and for the year ended September 30, 2009, and have issued our report thereon dated March 2, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 our procedures disclosed no material instances of noncompliance with state laws and regulations. However, we noted certain matters that we reported to management of the City in a separate letter dated March 2, 2010.

This report is intended solely for the information and use of the Mayor and Board of Aldermen of the City, its management and the Mississippi Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Tann, Brown & Russ Co.

March 2, 2010

CITY OF CLINTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major program?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
--	-----

(Continued)

CITY OF CLINTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended September 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF CLINTON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2009

No audit findings related to federal awards were reported in the audit of the year ended September 30, 2008.