

City of Clinton, Mississippi

ANNUAL FINANCIAL STATEMENTS

September 30, 2019



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City of Clinton, Mississippi
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September 30, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Mississippi (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Clinton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Mississippi, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the defined benefit pension plan information on pages 64 through 69, and the Budgetary Comparison Schedules on pages 70 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules and other schedules have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

Our discussion and analysis of the financial performance of the City of Clinton, Mississippi (the "City") provides an overview of the City's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the City's financial statements that begin on page 15.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities presented on pages 15 and 16 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 17 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 Position and the Statement of Activities

Our analysis of the total City begins on page 7. 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 Position 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, liabilities, and deferred inflows and outflows of resources 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 position and, in addition, the changes which have occurred in it. Think of the City's net position as the difference between assets and deferred outflows of resources (what citizens own) and liabilities and deferred inflows of resources (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 position is 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 Position 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 tax, licenses and permits, fines, and state and federal grants finance most of these activities.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

- **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.

Reporting the City's Funds
Fund Financial Statements

Our analysis of the City's funds begins on page 10. The fund financial statements begin on page 17 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 Position and the Statement of Activities) and the governmental funds in the reconciliations at the bottom of the fund financial statements.

The City maintains two major governmental funds (the General Fund and the Senate Bill 2002 Bond Proceeds Fund) and twenty-one (21) 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. 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 17 through 20 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 collection 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.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

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.

The basic proprietary fund financial statements can be found on pages 21 through 26 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 Benefit Fund, which is reported on a full accrual basis. The fiduciary fund financial statements can be found on pages 27 and 28 of this report.

City of Clinton, Mississippi
Management's Discussion and Analysis
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THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Clinton, at September 30, 2019, total net position was approximately \$58 million.

City of Clinton Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 15,416,298	\$ 15,401,125	\$ 10,652,814	\$ 9,779,174	\$ 26,069,112	\$ 25,180,299
Capital assets	64,059,393	65,503,296	32,687,755	32,391,513	96,747,148	97,894,809
Total assets	79,475,691	80,904,421	43,340,569	42,170,687	122,816,260	123,075,108
Deferred outflows of resources	2,423,512	2,182,953	506,795	437,079	2,930,307	2,620,032
Long-term liabilities	40,251,547	40,227,344	16,102,451	16,916,853	56,353,998	57,144,197
Other liabilities	2,602,937	2,345,433	826,038	1,127,777	3,428,975	3,473,210
Total liabilities	42,854,484	42,572,777	16,928,489	18,044,630	59,782,973	60,617,407
Deferred inflows of resources	7,892,483	7,741,319	59,513	108,131	7,951,996	7,849,450
Net position:						
Net investment in capital assets	46,999,038	46,650,534	21,338,083	19,715,517	68,337,121	66,366,051
Restricted	2,800,502	3,977,293	132,261	92,232	2,932,763	4,069,525
Unrestricted	(18,647,304)	(17,854,549)	5,389,018	4,647,256	(13,258,286)	(13,207,293)
Total net position	\$ 31,152,236	\$ 32,773,278	\$ 26,859,362	\$ 24,455,005	\$ 58,011,598	\$ 57,228,283

The largest portion of the City's net position, \$68.3 million, reflects its investments in capital assets (e.g., land, buildings, infrastructure, 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, Mississippi
Management's Discussion and Analysis
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City of Clinton
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Changes for services	\$ 928,947	\$ 972,964	\$ 10,756,607	\$ 10,121,156	\$ 11,685,554	\$ 11,094,120
Operating grants and contributions	359,802	392,787	-	-	359,802	392,787
Capital grants and contributions	1,485,240	63,323	786,829	-	2,272,069	63,323
General revenues:						
Property taxes	9,414,686	9,626,065	-	-	9,414,686	9,626,065
Sales taxes	5,077,705	4,812,181	-	-	5,077,705	4,812,181
Franchise charges	751,104	790,948	-	-	751,104	790,948
Shared grants and revenues	2,118,460	947,889	607,685	1,288,645	2,726,145	2,236,534
Other	327,574	149,701	187,204	129,327	514,778	279,028
Total revenues	20,463,518	17,755,858	12,338,325	11,539,128	32,801,843	29,294,986
Expenses:						
General government	1,767,636	1,594,302	-	-	1,767,636	1,594,302
Public safety	12,051,030	12,072,420	-	-	12,051,030	12,072,420
Public works	4,666,908	4,595,163	-	-	4,666,908	4,595,163
Culture and recreation	2,448,637	2,445,958	-	-	2,448,637	2,445,958
Economic development	771,644	588,681	-	-	771,644	588,681
Interest on long-term debt	482,106	532,662	-	-	482,106	532,662
Water and sewer	-	-	7,945,404	7,381,748	7,945,404	7,381,748
Garbage	-	-	1,885,163	1,826,901	1,885,163	1,826,901
Total expenses	22,187,961	21,829,186	9,830,567	9,208,649	32,018,528	31,037,835
Change in net position before transfers	(1,724,443)	(4,073,328)	2,507,758	2,330,479	783,315	(1,742,849)
Transfers in (out)	103,401	102,328	(103,401)	(102,328)	-	-
Change in net position	(1,621,042)	(3,971,000)	2,404,357	2,228,151	783,315	(1,742,849)
Net position - beginning, as previously reported	32,773,278	36,744,278	24,455,005	22,226,854	57,228,283	58,971,132
Total net position	\$ 31,152,236	\$ 32,773,278	\$ 26,859,362	\$ 24,455,005	\$ 58,011,598	\$ 57,228,283

At September 30, 2019, the City has positive balances in all three categories of net position in business-type activities and in two categories in governmental activities. The negative unrestricted net position for governmental activities increased in 2019 by \$793 thousand. This increase resulted

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

primarily from an increase in net pension liability and related deferred outflows of resources and deferred inflows of resources related to pensions. The increase in the unrestricted net position for business-type activities in 2019 is a result of the City's continued efforts to pay down the water and sewer fund's long-term debt. The City's total net position increased \$783 thousand during the current fiscal year primarily as a result of the increase in grant revenue, proprietary fund operations, and the City's efforts to pay down the water and sewer fund's long-term debt.

Governmental activities. Governmental activities decreased the City's net position by \$1.6 million during the year. The increase in shared grants was primarily due to a \$1.0 million grant from the State of Mississippi for street improvements. The increase in sales tax was primarily due to an improving economy in which citizens purchased more goods and services than the previous year. These increases in revenues were primarily offset by increases in public works expenses due to street improvements and the increase in economic development expenses was due to the hiring of a full time economic development director.

Business-type activities. Business-type activities increased the City's net position by \$2.4 million during the year. This increase was primarily due to water and sewer revenue increases in 2019 being higher than expected in the water and sewer department. Increases in revenue were primarily offset by increases to maintenance and upkeep of the water and sewer system infrastructure. Garbage expenditures increased by \$59 thousand in 2019 as a result of increases in the customer base.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

THE CITY'S FUNDS

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

	Beginning Fund Balance	Increase (Decrease)	Ending Fund Balance
General fund	\$ 2,137,970	\$ 309,166	\$ 2,447,136
Special revenue funds	17,256	102,989	120,245
Debt service funds	1,366,369	(90,937)	1,275,432
Capital project funds	2,429,888	(975,038)	1,454,850
Total governmental funds	\$ 5,951,483	\$ (653,820)	\$ 5,297,663

	Beginning Net Position	Increase (Decrease)	Ending Net Position
Water and sewer operations fund	\$ 23,958,760	\$ 2,509,565	\$ 26,468,325
Garbage collection fund	543,188	(120,343)	422,845
Self-funded group insurance fund	(312,937)	79,548	(233,389)
Total proprietary funds	\$ 24,189,011	\$ 2,468,770	\$ 26,657,781

The increase in the general fund is primarily due to increases in sales tax collections.

The increase in the special revenue funds is due to the addition of a 1% tourism tax on all hotel and motel stays passed by the citizens during the 2019 fiscal year.

The decrease in the debt service funds is primarily due to ad valorem taxes collected being less than what was needed for the repayment of debt.

The decrease in the capital projects funds resulted from grant revenue costs incurred in the current year for capital improvement projects where the revenues will not be received until the next fiscal year.

The increase in the water and sewer operations fund is primarily due to continued efforts to build reserves for necessary future capital improvements to the water and sewer systems.

The decrease in the garbage collection fund is primarily due to operating costs increasing more rapidly than operating revenues. The garbage collection rates are adjusted as considered necessary in order to maintain an adequate fund balance.

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.

City of Clinton, Mississippi
Management's Discussion and Analysis
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This fund started the year with a negative net position because the cost of claims in prior years 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 greater than original budgeted funds available by \$554 thousand. This increase resulted primarily from a \$911 thousand increase to miscellaneous revenues. The increase was offset by a \$740 thousand decrease in the beginning fund balance. Final budgeted expenditures were \$553 thousand greater than those originally budgeted. Key elements of this increase were as follows:

- \$305,000 decrease in personal services as a result of savings from vacant positions.
- \$48,000 decrease in operating supplies as the result of decreases in gas and oil expense, building materials and supplies expense and equipment repair and maintenance.
- \$267,000 increase in other services and charges as the result of increases in maintenance contracts for copiers and software, legal fees related to lawsuits, and utility expenses.
- \$105,000 decrease in capital outlay was primarily due to costs of vehicles, equipment and improvements being lower than expected.
- \$231,000 decrease in debt service was due primarily to over budgeting the expected cost of lease purchase agreements for equipment and vehicles.
- \$131,000 decrease in transfers and other charges due to over budgeting this category.

Actual funds available were \$72 thousand greater than final budgeted. This increase is considered immaterial to the changes in revenues.

Actual expenditures were \$38 thousand less than those finally budgeted. This decrease is considered immaterial to the changes in expenditures.

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

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

CAPITAL ASSETS

Governmental activities. The City's investment in net capital assets for its governmental activities amounted to \$64.0 million at September 30, 2019. This investment includes land, buildings, other improvements, equipment and vehicles, infrastructure and construction in progress. Additions during the current year totaled \$4.0 million. Significant increases were:

- \$3.6 million – for resurfacing and street repairs to the City streets
- \$256 thousand – for purchase of police vehicles and equipment for the police, therapeutic recreation and the parks and recreation departments
- \$97 thousand – for construction of multi-use paths
- \$65 thousand – for construction of Lions Club Park
- \$23 thousand – for various other capital assets

Depreciation expense amounted to \$5.5 million for 2019 and \$5.3 million for 2018. Accumulated depreciation at September 30, 2019 and 2018 was \$77.5 million and \$72.1 million, respectively.

Business-type activities. At September 30, 2019, the City's business-type net capital assets amounted to \$32.7 million. This asset grouping includes land, buildings, water and sewer systems, equipment and vehicles and construction in progress. Additions of \$2.9 million were made during 2019 mainly for water and sewer improvements and the purchase of new vehicles. Depreciation expense amounted to \$1.8 million for 2019 and \$1.6 million for 2018. Accumulated depreciation at September 30, 2019 and 2018 was \$31.7 million and \$31.4 million, respectively.

City of Clinton
Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 8,075,732	\$ 8,072,648	\$ 181,742	\$ 181,742	\$ 8,257,474	\$ 8,254,390
Buildings	14,808,532	15,762,397	111,317	120,957	14,919,849	15,883,354
Other improvements	1,822,388	2,475,438	-	-	1,822,388	2,475,438
Water and sewer systems and improvements	-	-	30,745,119	29,828,720	30,745,119	29,828,720
Certificate of authority	-	-	800,000	800,000	800,000	800,000
Equipment and vehicles	2,034,382	2,098,768	849,577	707,153	2,883,959	2,805,921
Infrastructure	36,973,765	36,886,703	-	-	36,973,765	36,886,703
Construction in progress	344,594	207,342	-	752,941	344,594	960,283
Total net position	\$ 64,059,393	\$ 65,503,296	\$ 32,687,755	\$ 32,391,513	\$ 96,747,148	\$ 97,894,809

For additional information, see Note 4 to the Basic Financial Statements.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

DEBT ADMINISTRATION

Governmental activities. At the end of the current fiscal year, long-term debt associated with the City's governmental activities totaled \$17.3 million. This account classification includes general obligation bonds; tax increment limited obligation bonds, notes payable, capital lease obligations, and unamortized bond premium/discount. During the current fiscal year, the City's total governmental activities debt decreased by \$1.8 million. This decrease was due primarily to scheduled debt payments made during the year offset by the addition of \$227 thousand of capital lease obligations mainly for new vehicles. Payments of principal and interest due within one-year total \$2.0 million.

Business-type activities. Long-term debt associated with the City's business-type activities totaled \$11.3 million at September 30, 2019. This account classification includes general obligation bonds, revenue bonds, notes payable, capital lease obligations and unamortized bond premium/discount. The major portion of this debt is associated with the City's wastewater treatment facility. During the year ended September 30, 2019, debt associated with the City's business-type activities decreased by \$1.3 million offset by the addition of a \$200 thousand capital lease obligations mainly for heavy equipment and vehicles. This decrease was due primarily to the scheduled debt payments made during the year. Payments of principal and interest due within one-year total \$1.6 million.

City of Clinton General Obligation and Revenue Bonds and Other Loans						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 14,348,578	\$ 15,699,749	\$ 541,419	\$ 615,248	\$ 14,889,997	\$ 16,314,997
Tax increment limited obligation bonds	105,000	275,000	-	-	105,000	275,000
Notes payable	-	70,000	10,618,695	12,060,748	10,618,695	12,130,748
Capital lease obligations	2,589,718	2,803,695	189,558	-	2,779,276	2,803,695
Unamortized bond premium	260,081	296,824	-	-	260,081	296,824
Total net position	\$ 17,303,377	\$ 19,145,268	\$ 11,349,672	\$ 12,675,996	\$ 28,653,049	\$ 31,821,264

For additional information, see Note 7 to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Major revenue sources are expected to remain flat 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 2020.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2019

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, Mississippi
Statement of Net Position

<i>September 30, 2019</i>	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,897,783	\$ 7,012,048	\$ 12,909,831
Receivables, net	9,200,988	3,280,789	12,481,777
Internal balances	289,087	(289,087)	-
Prepaid items	28,440	-	28,440
Restricted cash and cash equivalents	-	649,064	649,064
Capital assets:			
Capital assets not being depreciated	8,420,326	981,742	9,402,068
Other capital assets, net of depreciation	55,639,067	31,706,013	87,345,080
Total Assets	79,475,691	43,340,569	122,816,260
Deferred Outflows of Resources			
Related to pensions	2,180,490	506,795	2,687,285
Deferred charges on refundings	243,022	-	243,022
Total Deferred Outflows	2,423,512	506,795	2,930,307
Liabilities			
Accounts payable	2,100,740	256,915	2,357,655
Accrued interest	151,460	20,512	171,972
Claims liability	94,436	31,808	126,244
Due to other governments	244,886	-	244,886
Customer deposits payable	11,415	516,803	528,218
Long-term debt:			
Due within one year	2,023,721	1,619,567	3,643,288
Due in more than one year	15,279,656	9,730,105	25,009,761
Compensated absences payable:			
Due within one year	1,051,699	130,777	1,182,476
Due in more than one year	277,121	131,892	409,013
Net pension liability	21,619,350	4,490,110	26,109,460
Total Liabilities	42,854,484	16,928,489	59,782,973
Deferred Inflows of Resources			
Related to pensions	239,042	59,513	298,555
Property taxes levied for subsequent year	7,653,441	-	7,653,441
Total Deferred Inflows	7,892,483	59,513	7,951,996
Net Position			
Net investment in capital assets	46,999,038	21,338,083	68,337,121
Restricted for:			
Capital projects	1,224,138	132,261	1,356,399
Debt service	1,275,432	-	1,275,432
Law enforcement (restricted by enabling legislation)	159,000	-	159,000
Economic development and tourism (restricted by enabling legislation)	141,932	-	141,932
Unrestricted net position (deficit)	(18,647,304)	5,389,018	(13,258,286)
Total Net Position	\$ 31,152,236	\$ 26,859,362	\$ 58,011,598

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Activities

Year ended September 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Grants and Contributions Operating	Capital	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,767,636	\$ 117,590	\$ -	\$ 770,000	\$ (880,046)	\$ -	\$ (880,046)
Public safety	12,051,030	689,793	359,802	-	(11,001,435)	-	(11,001,435)
Public works	4,666,908	-	-	616,295	(4,050,613)	-	(4,050,613)
Culture and recreation	2,448,637	121,564	-	98,945	(2,228,128)	-	(2,228,128)
Economic development	771,644	-	-	-	(771,644)	-	(771,644)
Interest and fiscal charges on long-term debt	482,106	-	-	-	(482,106)	-	(482,106)
Total governmental activities	22,187,961	928,947	359,802	1,485,240	(19,413,972)	-	(19,413,972)
Business-Type Activities:							
Water	3,843,444	4,959,956	-	716,101	-	1,832,613	1,832,613
Sewer	4,101,960	4,035,043	-	70,728	-	3,811	3,811
Garbage collection	1,885,163	1,761,608	-	-	-	(123,555)	(123,555)
Total business-type activities	9,830,567	10,756,607	-	786,829	-	1,712,869	1,712,869
Total	\$ 32,018,528	\$ 11,685,554	\$ 359,802	\$ 2,272,069	(19,413,972)	1,712,869	(17,701,103)
General Revenues:							
Taxes:							
Property taxes					9,414,686	-	9,414,686
Local sales taxes					328,510	-	328,510
Franchise fees based upon gross receipts					751,104	-	751,104
Grants and contributions not restricted to specific programs:							
State grants and shared revenues					6,779,908	607,685	7,387,593
County shared revenues					87,747	-	87,747
Interest					83,548	82,542	166,090
Gain on sale of capital assets					116,732	505	117,237
Transfer in (out)					103,401	(103,401)	-
Miscellaneous					127,294	104,157	231,451
Total General Revenues					17,792,930	691,488	18,484,418
Change in Net Position					(1,621,042)	2,404,357	783,315
Net Position - Beginning					32,773,278	24,455,005	57,228,283
Net Position - Ending					\$ 31,152,236	\$ 26,859,362	\$ 58,011,598

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2019

	General Fund	Senate Bill 2002 Bond Proceeds Project Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,627,789	\$ 673,142	\$ 2,595,960	\$ 5,896,891
Receivables, net:				
Property taxes	6,686,115	-	1,168,019	7,854,134
Sales and tourism tax	806,741	-	71,420	878,161
Utilities tax	16,206	-	-	16,206
Franchise fees	209,151	-	-	209,151
Special assessments	-	-	243,336	243,336
Prepaid expenses	-	-	28,440	28,440
Due from other funds	1,454,651	-	23,966	1,478,617
Total Assets	\$ 11,800,653	\$ 673,142	\$ 4,131,141	\$ 16,604,936
Liabilities				
Accounts payable	\$ 1,523,383	\$ 442,430	\$ 106,889	\$ 2,072,702
Due to other governments	244,886	-	-	244,886
Due to other funds	1,070,619	-	10,874	1,081,493
Customer deposits	-	-	11,415	11,415
Total Liabilities	2,838,888	442,430	129,178	3,410,496
Deferred Inflows of Resources				
Property taxes levied for subsequent year	6,514,629	-	1,138,812	7,653,441
Unavailable special assessments	-	-	243,336	243,336
Total Deferred Inflows of Resources	6,514,629	-	1,382,148	7,896,777
Fund Balances				
Restricted for:				
Law enforcement	159,000	-	-	159,000
Economic development and tourism	21,687	-	120,245	141,932
Debt service	-	-	1,255,199	1,255,199
Capital projects	-	230,712	1,224,138	1,454,850
Assigned to:				
Debt service	-	-	20,233	20,233
Unassigned	2,266,449	-	-	2,266,449
Total Fund Balances	2,447,136	230,712	2,619,815	5,297,663
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,800,653	\$ 673,142	\$ 4,131,141	\$ 16,604,936

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2019

Reconciliation of Governmental Fund Balances to Net

Position of Governmental Activities:

Total Governmental Fund Balances		\$ 5,297,663
Differences:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		64,059,393
Long-term receivables are not available to pay current period expenditures and therefore are deferred in the funds.		243,336
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on refundings	243,022	
Related to pensions	2,180,490	2,423,512
Interest is not recorded as an expenditure in the funds until the payment date and is not reported in the governmental funds balance sheet.		(151,460)
Long-term liabilities are not due and payable in the current period and therefore the long-term liabilities are not reported in the funds.		
Accounts payable	(28,038)	
Compensated absences	(1,328,820)	
Net pension liability	(21,619,350)	
Long-term debt	(17,303,377)	(40,279,585)
Deferred inflows of resources are not reported in the governmental funds:		
Related to pensions		(239,042)
The internal service fund's net position 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.		(201,581)
Net Position- Governmental Activities		\$ 31,152,236
		(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Year ended September 30, 2019

	General Fund	Senate Bill 2002 Bond Proceeds Project Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 8,025,302	\$ -	\$ 1,389,384	\$ 9,414,686
Licenses and permits	751,104	-	-	751,104
Intergovernmental	6,769,054	1,000,000	655,613	8,424,667
Charges for services	411,094	-	33,245	444,339
Fines and forfeitures	484,608	-	-	484,608
Special assessments	-	-	27,037	27,037
Interest	35,200	10,901	37,447	83,548
Contributions	-	-	514	514
Miscellaneous	99,988	-	-	99,988
Total Revenues	16,576,350	1,010,901	2,143,240	19,730,491
Expenditures				
Current:				
General government	1,698,280	-	14,935	1,713,215
Public safety	9,720,785	-	-	9,720,785
Public works	1,077,392	-	-	1,077,392
Culture and recreation	1,490,375	-	169,749	1,660,124
Economic development	560,925	-	151,722	712,647
Debt service	745,364	-	1,776,341	2,521,705
Capital outlay	1,424,217	780,189	1,216,920	3,421,326
Total Expenditures	16,717,338	780,189	3,329,667	20,827,194
Excess (Deficiency) of Revenue Over Expenditures	(140,988)	230,712	(1,186,427)	(1,096,703)
Other Financing Sources (Uses)				
Capital asset disposals	112,376	-	-	112,376
Capital lease	227,106	-	-	227,106
Transfers in	310,406	-	987,677	1,298,083
Transfers out	(199,734)	-	(994,948)	(1,194,682)
Total Other Financing Sources	450,154	-	(7,271)	442,883
Net Change in Fund Balances	309,166	230,712	(1,193,698)	(653,820)
Fund Balances - Beginning	2,137,970	-	3,813,513	5,951,483
Fund Balances- Ending	\$ 2,447,136	\$ 230,712	\$ 2,619,815	\$ 5,297,663

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

September 30, 2019

Reconciliation of Governmental Funds Change in Fund Balances to
Governmental Activities Change in Net Position:

Net Change in Fund Balances - Total Governmental Fund Balances	\$ (653,820)
Differences:	
Governmental funds report capital asset purchases as expenditures.	3,421,326
Governmental funds do not report the receipt of contributed capital assets.	616,295
Governmental funds do not report gains on the sale of capital assets.	4,356
Governmental activities report depreciation expense to allocate the cost of capital assets over the life of the assets, and the remaining undepreciated cost is removed upon disposal of the assets.	(5,485,880)
Governmental funds report debt issuances as other financing sources and report payments to refunded debt escrow agents as other financing uses.	(227,106)
Governmental funds do not report revenue related to long-term receivables until collected because they do not provide current financial resources.	(27,038)
Governmental funds report principal payment on debt as expenditures.	2,032,253
Governmental activities report amortization expense over the life of the debt to allocate the debt premium received and the difference between the refunded debt and the payments to the refunded debt escrow agents.	(12,741)
Governmental funds report interest, compensated absences, and pension costs as expenditures when paid while governmental activities report these costs as expenses when incurred.	(1,353,100)
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.	64,413
<hr/>	
Change in Net Position- Governmental Activities	\$ (1,621,042)
<hr/>	
	(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Net Position - Proprietary Funds

September 30, 2019

	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	\$ 5,804,075	\$ 1,207,973	\$ 7,012,048	\$ 892
Receivables, net:				
Accounts	1,589,043	-	1,589,043	-
Grants and assistance	1,671,305	9,000	1,680,305	-
Special assessments	4,082	-	4,082	-
Due from other funds	1,074,879	155,037	1,229,916	124,963
Restricted cash and cash equivalents:				
Customer deposit accounts	516,803	-	516,803	-
Total Current Assets	10,660,187	1,372,010	12,032,197	125,855
Noncurrent Assets:				
Restricted cash and cash equivalents:				
Construction account	132,261	-	132,261	-
Receivable:				
Special assessments (net of current portion)	7,359	-	7,359	-
	139,620	-	139,620	-
Capital assets:				
Water and sewer systems and other improvements	60,649,461	-	60,649,461	-
Land	181,742	-	181,742	-
Buildings	263,987	-	263,987	-
Equipment and vehicles	3,176,296	879,162	4,055,458	-
Certificate of authority	800,000	-	800,000	-
	65,071,486	879,162	65,950,648	-
Less accumulated depreciation	32,554,823	708,070	33,262,893	-
Capital Assets (net)	32,516,663	171,092	32,687,755	-
Total Noncurrent Assets	32,656,283	171,092	32,827,375	-
Total Assets	43,316,470	1,543,102	44,859,572	125,855
Deferred Outflows of Resources				
Related to pensions	\$ 506,795	\$ -	\$ 506,795	\$ -

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Net Position - Proprietary Funds

September 30, 2019

	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	\$ 118,592	\$ 138,323	\$ 256,915	\$ -
Claims liability	-	-	-	126,244
Accrued interest payable	20,512	-	20,512	-
Due to other funds	537,069	981,934	1,519,003	233,000
Compensated absences payable - current	130,777	-	130,777	-
Notes payable - current	1,478,740	-	1,478,740	-
General obligation bonds payable - current	75,838	-	75,838	-
Capital lease payable - current	64,989	-	64,989	-
Current liabilities payable from restricted assets:				
Customer deposit payable	516,803	-	516,803	-
Total Current Liabilities	2,943,320	1,120,257	4,063,577	359,244
Noncurrent Liabilities:				
Compensated absences payable	131,892	-	131,892	-
Notes payable	9,139,955	-	9,139,955	-
General obligation bonds payable	465,581	-	465,581	-
Capital lease payable	124,569	-	124,569	-
Net pension liability	4,490,110	-	4,490,110	-
Total Noncurrent Liabilities	14,352,107	-	14,352,107	-
Total Liabilities	17,295,427	1,120,257	18,415,684	359,244
Deferred inflows of Resources				
Related to pensions	59,513	-	59,513	-
Net Position				
Net investment in capital assets	21,166,991	171,092	21,338,083	-
Restricted for:				
Capital projects	132,261	-	132,261	-
Unrestricted	5,169,073	251,753	5,420,826	(233,389)
Total Net Position	\$ 26,468,325	\$ 422,845	\$ 26,891,170	\$ (233,389)
Reconciliation of Enterprise Funds Net Position to Business-Type Activities Net Position:				
Total Enterprise Fund Net Position				\$ 26,891,170
Difference:				
The internal service fund's net position is included in business-type activities to the extent attributable to business-type activities.				(31,808)
Net Position - Business-Type Activities				\$ 26,859,362
				(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds

Year ended September 30, 2019

	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	\$ 4,381,421	\$ -	\$ 4,381,421	\$ -
Sewer service charges	3,998,968	-	3,998,968	-
Other services and charges	506,904	-	506,904	-
Refuse collection charges	-	1,760,353	1,760,353	-
State assistance	607,685	-	607,685	-
Rents	107,706	-	107,706	-
Premiums	-	-	-	1,639,456
Miscellaneous	-	105,912	105,912	-
Total Operating Revenues	9,602,684	1,866,265	11,468,949	1,639,456
Operating Expenses				
Salaries	1,730,164	115,721	1,845,885	-
Employee benefits	1,065,230	44,716	1,109,946	-
Insurance	61,228	3,395	64,623	388,362
Claims expense	-	-	-	1,091,223
Office supplies	17,148	-	17,148	-
Gas and oil	66,986	16,791	83,777	-
Other operating supplies	85,455	-	85,455	-
Outside services	1,112,908	1,601,874	2,714,782	80,323
Repairs and maintenance	759,338	33,235	792,573	-
Telephone	27,584	-	27,584	-
Postage	46,008	-	46,008	-
Utilities	602,314	-	602,314	-
Rentals	30,171	-	30,171	-
Depreciation	1,767,409	65,137	1,832,546	-
Pro rata overhead to General Fund	144,000	-	144,000	-
Other	190,045	4,959	195,004	-
Total Operating Expenses	7,705,988	1,885,828	9,591,816	1,559,908
Operating Income (Loss)	1,896,696	(19,563)	1,877,133	79,548
Nonoperating Revenues (Expenses)				
Interest income	80,426	2,116	82,542	-
Capital contributions	786,829	-	786,829	-
Gain on sale of capital assets	-	505	505	-
Miscellaneous	(500)	-	(500)	-
Interest and fiscal charges	(253,886)	-	(253,886)	-
Total Nonoperating Revenues (Expenses)	612,869	2,621	615,490	-
Transfers out	-	(103,401)	(103,401)	-
Change in Net Position	2,509,565	(120,343)	2,389,222	79,548
Net Position (Deficit) - Beginning	23,958,760	543,188	24,501,948	(312,937)
Net Position (Deficit) - Ending	\$ 26,468,325	\$ 422,845	\$ 26,891,170	\$ (233,389)

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds

Year ended September 30, 2019

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

Change in Net Position - Enterprise Funds \$ 2,389,222

Differences:

The internal service fund's change in net position is included
in business-type activities to the extent attributable to
business-type activities. 15,135

Change in Net Position - Business-Type Activities \$ 2,404,357

(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2019

	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	\$ 8,878,756	\$ 1,865,286	\$ 10,744,042	\$ 204,682
Receipts from interfund services	-	-	-	1,332,367
Receipts from reinsurance	-	-	-	102,407
Payments to suppliers	(3,259,129)	(1,652,683)	(4,911,812)	(1,669,604)
Payments to employees	(2,206,666)	(149,301)	(2,355,967)	-
Payments for interfund services	(339,140)	(11,136)	(350,276)	-
Net Cash Provided by (Used In) Operating Activities	3,073,821	52,166	3,125,987	(30,148)
Cash Flows From Noncapital Financing Activities				
Repayments from other funds for advances	-	(103,401)	(103,401)	(840,119)
Advances from other funds	603,993	593,117	1,197,110	-
Advances to other funds	17,166	979	18,145	871,159
Net Cash Provided by Noncapital Financing Activities	621,159	490,695	1,111,854	31,040
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	(2,865,717)	(49,900)	(2,915,617)	-
Capital asset reimbursement proceeds	583,884	-	583,884	-
Principal paid on general obligation bonds	(73,829)	-	(73,829)	-
Principal paid on notes payable	(1,452,688)	-	(1,452,688)	-
Interest and fiscal charges paid on debt	(256,776)	-	(256,776)	-
Net Cash Used In Capital and Related Financing Activities	(4,065,126)	(49,900)	(4,115,026)	-
Cash Flows From Investing Activities				
Interest received	80,426	2,116	82,542	-
Net Cash Provided by Investing Activities	80,426	2,116	82,542	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(289,720)	495,077	205,357	892
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,742,859	712,896	7,455,755	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,453,139	\$ 1,207,973	\$ 7,661,112	\$ 892

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2019

	Enterprise Funds			Non-Major Internal Service Fund
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Fund
CASH AND CASH EQUIVALENTS AT END OF YEAR:				
Cash and cash equivalents	\$ 5,804,075	\$ 1,207,973	\$ 7,012,048	\$ 892
Restricted cash and cash equivalents:				
Customer deposits cash	516,803	-	516,803	-
Construction account - noncurrent	132,261	-	132,261	-
	\$ 6,453,139	\$ 1,207,973	\$ 7,661,112	\$ 892
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,896,696	\$ (19,563)	\$ 1,877,133	\$ 79,548
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,767,409	65,137	1,832,546	-
(Increase) decrease in:				
Accounts receivable	(738,973)	-	(738,973)	-
Due from other funds	(603,993)	-	(603,993)	-
Special assessments	50,169	-	50,169	-
Pension related deferred outflows	(69,716)	-	(69,716)	-
Accounts payable	259,944	8,045	267,989	-
Claims liability	-	-	-	(109,696)
Due to other funds	17,166	(1,453)	15,713	-
Customer deposits	31,815	-	31,815	-
Compensated absences	26,068	-	26,068	-
Net pension liability	485,854	-	485,854	-
Pension related deferred inflows	(48,618)	-	(48,618)	-
Net Cash Provided by Operating Activities	\$ 3,073,821	\$ 52,166	\$ 3,125,987	\$ (30,148)

(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Fiduciary Net Position

September 30, 2019

	Unemployment Compensation Benefit Fund
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Assets	
Cash	\$ 33,720
<hr/>	
Liabilities	
Accounts payable	\$ 648
<hr/>	
Net Position	
Held in trust for City employees' unemployment benefits	33,072
<hr/>	
Total Liabilities and Net Position	\$ 33,720
<hr/>	

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Changes in Fiduciary Net Position

Year ended September 30, 2019

	Unemployment Compensation Benefit Fund
Additions	
Interest	\$ 305
Deductions	
Unemployment benefits	1,058
Change in net position	(753)
Net position - beginning	33,825
Net position - ending	\$ 33,072

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi Notes to Basic Financial Statements

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 accounting principles generally accepted in the United States of America (GAAP), which includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Reporting Entity

The City's basic financial statements include all of the City's operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Based on this criteria, the City has no component units.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the activities of the City. 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 non-exchange 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

City of Clinton, Mississippi Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fund is considered major if it is the primary operating fund of the City, is considered particularly important to users, or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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 or committed 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 follows:

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.

PROPRIETARY FUNDS:

Water and Sewer Operations Accounts for the provision of water and sewer services.
Fund

Garbage Collection Fund Accounts for the provision of refuse collection service.

Nonmajor Funds:

SPECIAL REVENUE FUNDS:

2% 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.

1% Tourism Tax Fund Accounts for revenues from a 1% tax imposed on hotel and motel room rentals within the city limits. These funds must be used to promote tourism and 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:

G.O. Negotiable Note Series Temporarily holds funds for payment of notes payable - \$350,000
2014 Fund Series 2014 negotiable note.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2012 Infrastructure Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$4,250,000 Series 2012 bonds.
2016 Infrastructure Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$1,800,000 Series 2016 bonds.
G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Accumulates funds for payment of a \$7,934,045 portion of a general obligation refunding bond issue - \$8,820,000 Series 2013 bonds, the remaining portion of which is being paid by the Water and Sewer Operations Fund, and the unrefunded portion of the Public Improvement Series 2006 bonds.
Quisenberry Library Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$8,000,000 Series 2008 bonds.
Parks and Recreation Bond and Interest Fund	Accumulates funds for payment of certificates of participation capital lease obligation - \$2,310,000.
Tax Increment Financing Bond and Interest Fund - Wal-Mart	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.
CAPITAL PROJECT FUNDS: Pinehaven Drive Construction Project Fund	Accounts for the proceeds of a Federal grant being used for the construction of street improvements.
Arrow Drive Construction Project Fund	Accounts for the proceeds of a Federal grant being used for the construction of street improvements.
Old Town Spring Park Project Fund	Accounts for the proceeds of a donation from Hinds County being used for the construction of a park.
Solid Waste Removal Project Fund	Accounts for the proceeds of a bond issue being used for the removal of solid waste in different areas.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
Fire Station #4 Construction Fund	Accounts for the proceeds of a bond issue being used for the construction of a new fire station.
Train Station Construction Fund	Accounts for the proceeds of a grant from Hinds County to be used for the construction of a train station.
Lions Club Park Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for the construction of a public park.
Cynthia Road Bridge Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for bridge repairs.
Kickapoo Road Bridge Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for bridge repairs.
Senate Bill 2002 Bond Proceeds Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for the repair and maintenance of streets.
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 employee benefit trust fund accounts for funds required to be held to reimburse the Mississippi Department of Employment Security for payments of City employees' unemployment benefits. State law requires the City to maintain the fund balance at 2% of the first \$6,000 of compensation paid to each employee during the previous calendar year, and the fund balance is not available for other uses by the City.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

On the government-wide Statement of Net Position 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, liabilities, and deferred inflows and outflows of resources 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, liabilities, and deferred inflows and outflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund and fiduciary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position 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, liabilities, and deferred inflows and outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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.

City of Clinton, Mississippi Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources, 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 Position. Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial 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 uses a capitalization threshold of \$5,000. Donated capital assets are reported at acquisition value.

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 Position. 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

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

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 customer utility deposits and fees charged for replacement of capital assets are classified as restricted assets on the balance sheet because their use is limited. 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.

Long-Term Debt

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. General obligation bonds are direct general obligations secured by the full faith and credit of the City. Principal and interest are payable through the general and debt service funds from ad valorem taxes levied on all taxable property within the City.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide and proprietary fund financial statements, bond discounts and premiums are deferred and amortized as interest over the terms of the bonds. Unamortized discounts and premiums are combined with bonds payable in the financial statements.

Net Pension Liability

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

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.

Deferred Outflows of Resources

Deferred outflows of resources are a separate financial statement element that represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statements report a deferred refunding charge for the difference between the balance of the refunded debt and the amount paid to the refunded debt escrow agents, and the deferred charge is amortized over the life of the debt. In addition, deferred outflows include amounts related to pensions (See Note 10), including contributions to the employee pension plan subsequent to the measurement date of the actuarial valuations for the plan.

Deferred Inflows of Resources

Deferred inflows of resources are a separate financial statement element that represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from special assessments, and these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Both the government-wide statements and governmental funds report property taxes levied for the subsequent year, which are deferred and recognized as an inflow of resources in the period for which they are levied. The government-wide statements also reflect pension related items resulting from the difference between estimated and actual return on pension plan investments, which are being amortized over a five-year period using the straight-line method.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

Government-wide Statements

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

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, other borrowings, and related deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position amounts 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 position – All other net position amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund and fiduciary fund equity is classified the same as in the government-wide statements.

The governmental fund financial statements present fund balances based on the extent of the constraints on their use as follows:

- a. Nonspendable fund balance – Consists of amounts that cannot be spent because they are either (1) not in spendable form or (2) are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Consists of amounts for which constraints have been placed on their use: (1) by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments, or (2) by law through constitutional provisions or enabling legislation.
- c. Committed fund balance – Consists of amounts which can be used only for specific purposes pursuant to constraints imposed by the adoption of an ordinance by the City's Mayor and Board of Aldermen. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
- d. Assigned fund balance – Consists of amounts which are constrained by the City's intent to use them for a specific purpose but that are neither restricted nor committed. Intent can be expressed by the City Clerk. The Mayor and Board of Aldermen have authorized the City Clerk to assign fund balances based on intent. The Mayor and Board of Aldermen may also

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Additional action does not normally have to be taken for the removal of an assignment.

- e. Unassigned fund balance – Consists of the residual fund balance for the General Fund, which is the only fund that can have a positive unassigned fund balance. However, other governmental funds may have a negative unassigned fund balance if restricted and committed amounts exceed the total fund balance.

The City utilizes restricted fund balances first, followed by committed fund balances and then assigned fund balances when they are available to use for the same purpose.

Revenues, Expenditures and Expenses

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.

Property Taxes

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.

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 – as Operating or Non-operating

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transfers

Permanent reallocations 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.

Estimates and Evaluation of Subsequent Events

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources 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.

The City has evaluated subsequent events through March 30, 2020, which is the date the financial statements were available to be issued.

Recent GASB Accounting Pronouncements

The Governmental Accounting Standards Board has issued accounting pronouncements recently that will be effective for the City in future periods, as follows:

- a. Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will become effective for the City in fiscal year 2020.
- b. Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2021.

Management of the City is currently evaluating the effect, if any, these new accounting pronouncements will have on the City's financial statements.

Stewardship, Compliance and Accountability

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 holds 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.

City of Clinton, Mississippi Notes to Basic Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mississippi law requires that municipalities prepare their 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 in the year for which they were budgeted. 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 budgeted revenue is accounted for under the cash basis. The budgetary basis used is therefore not considered to be in accordance with U.S. GAAP.

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).

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 and other properties added to the tax rolls.

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 also collects motor vehicle ad valorem taxes for the City and School District, retaining 5% of the gross collections as a commission.

Deficit Fund Equity

The Self-Funded Group Insurance Fund had a deficit fund equity of \$233,389 as of September 30, 2019. 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.

Note 2: DEPOSITS

The collateral deposits in financial institutions of public entities 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

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 2: DEPOSITS (Continued)

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, 2019, all of the City's bank deposits (including restricted amounts) were covered under the collateral pool administered by the State Treasurer.

Note 3: RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables consisted of the following:

<i>September 30, 2019</i>	Governmental Activities	Business-Type Activities	Total
Water, sewer and garbage collection charges	\$ -	\$ 2,171,043	\$ 2,171,043
Special assessments:			
Due within one year	27,037	4,082	31,119
Due in more than one year	216,299	138,912	355,211
Property taxes	7,854,134	-	7,854,134
Sales and tourism taxes	878,161	-	878,161
Franchise charges	209,151	-	209,151
State assistance	-	1,671,305	1,671,305
Other	16,206	9,000	25,206
	9,200,988	3,994,342	13,195,330
Allowance for uncollectible amounts	-	(713,553)	(713,553)
Net receivables	\$ 9,200,988	\$ 3,280,789	\$ 12,481,777

In addition, deferred inflows of resources related to receivables consisted of the following:

<i>September 30, 2019</i>	Governmental Activities	Business-Type Activities	Total
Property taxes levied for use in the subsequent year	\$ 7,653,441	\$ -	\$ 7,653,441

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 4: CAPITAL ASSETS

Capital asset activity was as follows:

<i>Year ended September 30, 2019</i>	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land:				
Right-of-way	\$ 6,737,012	\$ 3,084	\$ -	\$ 6,740,096
Other land	1,335,636	-	-	1,335,636
Construction in progress	207,342	2,098,784	(1,961,532)	344,594
Total not being depreciated	8,279,990	2,101,868	(1,961,532)	8,420,326
Other capital assets:				
Buildings	23,507,546	5,345	-	23,512,891
Other improvements	10,363,621	41,310	-	10,404,931
Equipment and vehicles	10,536,561	264,455	(38,949)	10,762,067
Infrastructure	84,921,571	3,590,531	-	88,512,102
	129,329,299	3,901,641	(38,949)	133,191,991
Accumulated depreciation:				
Buildings	7,745,149	959,210	-	8,704,359
Other improvements	7,888,183	694,360	-	8,582,543
Equipment and vehicles	8,437,523	328,841	(38,679)	8,727,685
Infrastructure	48,034,868	3,503,469	-	51,538,337
	72,105,723	5,485,880	(38,679)	77,552,924
Net other capital assets	57,223,576	(1,584,239)	(270)	55,639,067
Capital assets, net	\$ 65,503,566	\$ 517,629	\$ (1,961,802)	\$ 64,059,393

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 4: CAPITAL ASSETS (Continued)

<i>Year ended September 30, 2019</i>	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 181,742	\$ -	\$ -	\$ 181,742
Construction in progress	752,941	1,617,502	(2,370,443)	-
Certificate of authority	800,000	-	-	800,000
Total not being depreciated	1,734,683	1,617,502	(2,370,443)	981,742
Other capital assets:				
Water and sewer systems and improvements	58,176,442	2,473,019	-	60,649,461
Buildings	263,987	-	-	263,987
Equipment and vehicles	3,646,748	408,710	-	4,055,458
	62,087,177	2,881,729	-	64,968,906
Accumulated depreciation:				
Water and sewer systems and improvements	28,347,722	1,556,620	-	29,904,342
Buildings	143,030	9,640	-	152,670
Equipment and vehicles	2,939,595	266,286	-	3,205,881
	31,430,347	1,832,546	-	33,262,893
Net other capital assets	30,656,830	1,049,183	-	31,706,013
Capital assets, net	\$ 32,391,513	\$ 2,666,685	\$ (2,370,443)	\$ 32,687,755

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 47,458
Public safety	1,052,543
Public works	3,561,018
Culture and recreation	767,374
Economic development	57,487
	\$ 5,485,880
Business-type activities:	
Water	\$ 753,605
Sewer	1,013,804
Garbage collection	65,137
	\$ 1,832,546

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 5: 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, capital projects, and self-insurance claims. These advances are typically repaid upon collection of related receivables. The schedule below does not include balances due to the fiduciary fund as presented in the accompanying Balance Sheet. The composition of interfund balances as of September 30, 2019, was as follows:

Due to	Due From					Total
	General Fund	Water and Sewer Operations Fund	Garbage Collection Fund	Nonmajor Governmental Funds	Nonmajor Internal Service Fund	
General Fund	\$ 130,249	\$ 382,032	\$ 957,968	\$ 10,874	\$ 163,700	\$ 1,644,823
Water and Sewer Operations Fund	1,005,579	-	-	-	69,300	1,074,879
Garbage Collection Fund	-	155,037	-	-	-	155,037
Nonmajor Governmental Funds	-	-	23,966	-	-	23,966
Nonmajor Internal Service Fund	124,963	-	-	-	-	124,963
Total	\$ 1,260,791	\$ 537,069	\$ 981,934	\$ 10,874	\$ 233,000	\$ 3,023,668

Transfers made during the year were to fund debt service and capital projects. Interfund transfers during the year ended September 30, 2019, were as follows:

Transfer To	Transfer From			Total
	General Fund	Garbage Collection Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 103,401	\$ 207,005	\$ 310,406
Nonmajor Governmental Funds	199,734	-	787,943	987,677
Total	\$ 199,734	\$ 103,401	\$ 994,948	\$ 1,298,083

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 6: ACCOUNTS PAYABLE

Accounts payable consisted of the following:

<i>September 30, 2019</i>	Governmental Activities	Business- Type Activities	Total
Accounts payable to vendors	\$ 1,162,805	\$ 256,915	\$ 1,419,720
Accrued wages	342,490	-	342,490
Cash bonds and evidence held	485,457	-	485,457
Payroll withholdings and employee benefits	109,988	-	109,988
Total	\$ 2,100,740	\$ 256,915	\$ 2,357,655

Note 7: LONG-TERM LIABILITIES

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.

During 2017, the City entered into an agreement to fund \$2,310,000 in certificates of participation which were used to construct Fire Station #4 and the Train Depot. Both construction projects were accounted for in the government-wide financial statements as capital leases and the corresponding capital assets have been recorded.

Note 7: LONG-TERM LIABILITIES (Continued)

The long-term debt principal payable from governmental activities consisted of the following:

September 30, 2019

General Obligation Bonds:

\$5,265,000 Refunding Series 2016 serial bonds due in annual installments of \$30,000 to \$575,000 through September 1, 2028; interest varies from 2.0% to 3.0%.	\$ 4,705,000
\$4,250,000 Public Improvement — Series 2012 serial bonds due in annual installments of \$155,000 to \$330,000 through April 1, 2032; interest varies from 2.4% to 3.4%.	3,200,000
\$1,800,000 Public Improvement — Series 2016 serial bonds due in annual installments of \$65,000 to \$120,000 through April 1, 2036; interest varies from 2.25% to 3.0%.	1,595,000
\$7,934,045 portion of Refunding Series 2013 serial bonds due in annual installments of \$188,907 to \$845,579 through November 1, 2025; interest varies from 2% to 2.5%.	4,848,578
	14,348,578

Tax Increment Limited Obligation Bonds:

\$1,200,000 Land Improvement — Series 2000 serial bonds due in annual installments of \$75,000 to \$105,000 through April 1, 2020; interest varies from 6% to 6.25%.	105,000
	105,000

Capital Lease Obligations:

\$558,822 equipment lease; monthly payments of \$5,301 including interest at 3.89%; final payment due September 15, 2019.	441,241
\$443,110 equipment lease; monthly payments of \$4,207, including interest at 2.65%; final payment due September 15, 2019.	129,839
\$2,310,000 certificates of participation; yearly payments of \$133,216 to \$325,096 including interest at 3.15%; final payment due September 30, 2032.	1,800,000
\$19,214 equipment lease; monthly payments of \$560, including interest at 3.10%; final payment due July 17, 2022.	18,193
\$135,395 equipment lease; monthly payments of \$3,943, including interest at 3.10%; final payment due July 26, 2022.	131,801
\$28,889 equipment lease; monthly payments of \$841, including interest at 3.10%; final payment due July 17, 2022.	27,353

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

September 30, 2019

Capital Lease Obligations:

\$22,653 equipment lease; monthly payments of \$660, including interest at 3.14%; final payment due July 17, 2022.	\$ 21,450
\$20,955 equipment lease; monthly payments of \$610, including interest at 3.10%; final payment due July 17, 2022.	19,841
	<u>2,589,718</u>
Unamortized bond premium	260,081
Total Governmental Activities Long-Term Debt	\$ 17,303,377

The long-term debt principal payable from business-type activities consisted of the following:

September 30, 2019

General Obligation Bonds:

\$885,955 portion of Refunding Series 2013 serial bonds due in annual installments of \$21,093 to \$94,421 through November 1, 2025; interest varies from 2% to 2.5%.	\$ 541,419
	<u>541,419</u>

Notes Payable:

\$10,963,501 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$61,942, including interest at 3%; secured by the City's share of sales tax collected by the State; final payment due November 1, 2021.	1,557,396
\$1,157,361 loan payable to the Mississippi Department of Health; monthly installments of \$6,791, including interest at 3.5%; secured by the City's share of sales tax collected by the State; final payment due February 1, 2024.	327,210
\$993,655 loan payable to the Mississippi Development Authority; monthly installments of \$5,026, including interest at 2%; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	340,773
\$250,000 loan payable to the Mississippi Development Authority; monthly installments of \$1,386, including interest at 3%; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	91,258

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

September 30, 2019

Notes Payable (Continued):

<p>\$3,719,450 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$19,142, including interest at 2%; secured by the City's share of sales tax collected by the State; final payment due November 1, 2026.</p>	\$ 1,532,473
<p>\$1,857,928 loan payable to the Mississippi Department of Health; monthly installments of \$9,585, including interest at 1.95%, secured by the City's share of sales tax collected by the State; final payment due November 1, 2030.</p>	1,153,327
<p>\$2,217,778 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$11,075, including interest at 1.75%, secured by the City's share of sales tax collected by the State; final payment due February 1, 2031.</p>	1,374,355
<p>\$866,717 loan payable to the Mississippi Development Authority; monthly installments of \$4,385, including interest at 2.0%, secured by the City's share of sales tax collected by the State; final payment due February 1, 2032.</p>	578,077
<p>\$1,909,855 maximum loan available from the Mississippi Department of Health; monthly installments of \$9,716, including interest at 1.95%, beginning June, 2015; secured by the City's share of sales tax collected by the State; final payment will be due in February, 2035, if the maximum loan amount is utilized.</p>	1,362,585
<p>\$3,000,771 maximum loan available from the Mississippi Department of Environmental Quality; monthly installments of \$14,984, including interest at 1.75%, beginning July, 2016; secured by the City's share of sales taxes collected by the State; final payment will be due in April, 2036, if the maximum loan amount is utilized.</p>	2,301,241
10,618,695	
Capital Lease Obligation:	
<p>\$200,193 equipment lease; monthly payments of \$5,834, including interest at 3.14%; final payment due July 17, 2022.</p>	189,558
189,558	
<p>Total Business-Type Activities Long-Term Debt</p>	<p>\$ 11,349,672</p>

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

Debt Service Requirements

The future debt service requirements for all notes and bonds outstanding as of September 30, 2019, are as follows:

GOVERNMENTAL						
ACTIVITIES:	General Obligation Bonds		Limited Obligation Bonds		Total	
	Principal	Interest	Principal	Interest		
FISCAL YEAR(S)						
2020	\$ 1,399,160	\$ 349,175	\$ 105,000	\$ 6,562	\$ 1,859,897	
2021	1,491,628	312,902	-	-	1,804,530	
2022	1,539,618	274,994	-	-	1,814,612	
2023	1,582,609	236,151	-	-	1,818,760	
2024	1,630,098	196,056	-	-	1,826,154	
2025-2029	4,990,465	498,202	-	-	5,488,667	
2030-2034	1,480,000	107,106	-	-	1,587,106	
2035-2039	235,000	6,534	-	-	241,534	
	<u>\$ 14,348,578</u>	<u>\$ 1,981,120</u>	<u>\$ 105,000</u>	<u>\$ 6,562</u>	<u>\$ 16,441,260</u>	

BUSINESS-TYPE						
ACTIVITIES:	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest		
FISCAL YEAR(S)						
2020	\$ 75,838	\$ 11,224	\$ 1,478,740	\$ 206,356	\$ 1,772,158	
2021	83,372	9,631	1,516,369	168,706	1,778,078	
2022	85,381	7,943	928,592	137,058	1,158,974	
2023	87,390	6,106	822,062	119,703	1,035,261	
2024	89,901	4,056	784,446	102,993	981,396	
2025-2029	119,537	2,123	3,023,736	318,980	3,464,376	
2030-2034	-	-	1,519,760	195,274	1,715,034	
2035-2039	-	-	544,990	11,936	556,926	
	<u>\$ 541,419</u>	<u>\$ 41,083</u>	<u>\$ 10,618,695</u>	<u>\$ 1,261,006</u>	<u>\$ 12,462,203</u>	

The following is an analysis of equipment leased under capital leases as of September 30, 2019:

	Governmental Activities
Equipment cost	\$ 2,708,368
Accumulated depreciation	(1,941,733)
Carrying value	\$ 766,635

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments at September 30, 2019, are as follows:

Fiscal Years	Governmental Activities	Business-Type Activities
2020	\$ 519,561	\$ 70,011
2021	516,980	70,011
2022	297,969	58,342
2023	200,427	-
2024	202,267	-
2025-2029	860,924	-
2030-2034	409,648	-
Total minimum lease payments	3,007,776	198,364
Less amount representing interest	418,058	8,806
Present value of future minimum lease payments	\$ 2,589,718	\$ 189,558

Changes in Long-Term Liabilities

On March 1, 2016, the City issued general obligation refunding bonds Series 2016 totaling \$5,265,000 to refund a portion of the Series 2008 general obligation bonds for a total refunded debt of \$5,270,000. The remaining balance of the original debt issue which was not defeased through the refunding totaled \$710,000. This amount has been satisfied according to the terms of the original issue. The net proceeds were deposited into an irrevocable trust with an escrow agent to provide funds for all of the future debt service on the refunded bonds. As a result, the refunded debt is considered defeased and has been removed from the Statement of Net Position. At September 30, 2019, \$4,705,000 of the defeased debt remained outstanding.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

During the year ended September 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
General obligation bonds	\$ 15,699,749	\$ -	\$ (1,351,171)	\$ 14,348,578	\$ 1,399,160
Notes payable	70,000	-	(70,000)	-	-
Limited obligation bonds	275,000	-	(170,000)	105,000	105,000
Capital lease obligations	2,803,695	227,106	(441,083)	2,589,718	519,561
Unamortized bond premium	296,824	-	(36,743)	260,081	-
	19,145,268	227,106	(2,068,997)	17,303,377	2,023,721
Compensated absences	1,430,010	281,696	(382,886)	1,328,820	1,051,699
Net pension liability	19,652,066	1,967,284	-	21,619,350	-
	\$ 40,227,344	\$ 2,476,086	\$ (2,451,883)	\$ 40,251,547	\$ 3,075,420
BUSINESS-TYPE ACTIVITIES:					
General obligation bonds	\$ 615,248	\$ -	\$ (73,829)	\$ 541,419	\$ 75,838
Notes payable	12,060,748	-	(1,442,053)	10,618,695	1,478,740
Capital lease obligations	-	200,193	(10,635)	189,558	64,989
	12,675,996	200,193	(1,526,517)	11,349,672	1,619,567
Compensated absences	236,601	107,858	(81,790)	262,669	130,777
Net pension liability	4,004,256	485,854	-	4,490,110	-
	\$ 16,916,853	\$ 793,905	\$ (1,608,307)	\$ 16,102,451	\$ 1,750,344

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

Interest and fiscal charges for the year ended September 30, 2019, were as follows:

Governmental activities	\$ 482,106
Business-type activities:	
Water	113,119
Sewer	140,767
	253,886
	\$ 735,992

Revenue Pledged to Secure Debt

The City has pledged its share of general sales tax collected by the State to secure certain government and business-type activities notes payable to the State for various public improvement and utility improvement projects. The City received general sales tax revenue totaling \$5,077,706

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 7: LONG-TERM LIABILITIES (Continued)

for the current year and made current year principal and interest payments on the notes payable to the State totaling \$1,685,075 which was approximately 36% of the pledged revenue. As of September 30, 2019, the future principal and interest requirements for the notes payable totaled \$11,879,701 and the maturity dates of the notes payable extend through August 2036.

The City has pledged incremental ad valorem tax revenues resulting from commercial development projects to secure tax increment limited obligation bonds that were issued to fund the projects. The City's incremental ad valorem tax revenues received in the current year totaled \$614,919, and the City also received \$35,000 from Hinds County in the current year for the county's pledged portion of incremental ad valorem tax revenues. The current year principal and interest payments made by the City on the limited obligation bonds totaled \$186,013 was approximately 29% of the pledged revenues. As of September 30, 2019, the future principal and interest requirements for the bonds totaled \$111,562, and the maturity dates extend through April 2020.

Note 8: LEASE RENTAL REVENUE

The City receives annual lease payments of \$10,100 for an 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, 2019, was as follows:

	Governmental Activities
Property cost	\$ 955,000
Accumulated depreciation	(910,300)
Carrying value	\$ 44,700

The City also receives lease payments from cellular telephone companies for use of the excess space on the City's water towers. This lease revenue totaled \$107,706 for the year ended September 30, 2019. Future minimum rentals from leases with terms greater than one year are as follows:

Fiscal Years	Governmental Activities	Business-Type Activities
2020	\$ 10,100	\$ 108,703
2021	10,100	109,730
2022	10,100	65,822
2023	10,100	45,151
2024	10,100	-
	\$ 50,500	\$ 329,406

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 9: OPERATING LEASE OBLIGATIONS

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

Fiscal Years	Governmental Activities	Business-Type Activities
2020	\$ 51,802	\$ 14,295
2021	47,740	14,295
2022	47,740	14,295
2023	47,740	11,095
2024	47,740	11,095
2025-2029	238,700	55,475
2030-2034	71,740	27,745
2035-2039	-	3,825
2040-2044	-	3,825
Total minimum lease payments	\$ 553,202	\$ 155,945

Rent expense for the year ended September 30, 2019, for all operating leases was as follows:

Governmental activities expenditures	\$ 90,706
Business-type activities expense	30,171
	\$ 120,877

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Deferred Compensation Plan

Plan Description

The City, through the Mississippi Public Employees Retirement System (PERS), offers all City employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Mississippi Deferred Compensation Plan, 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 PERS. The plan's assets are held in trust by PERS for the exclusive benefit of the participants and beneficiaries of the plan and are not subject to the general creditors of the City.

Funding Policy

Plan contributions by City employees are optional, and are limited by the Internal Revenue Code. City employees contributed \$114,190 to the plan for the year ended September 30, 2019. The City does not make any contributions to the plan.

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Public Employees Retirement Plans

Pension Plan Descriptions

The City of Clinton contributes to the PERS cost-sharing multiple-employer defined benefit pension plan (the Cost-Sharing Plan), which covers all eligible employees, except certain sworn and uniformed policemen and firemen who participate in the City of Clinton Disability and Relief Fund (the CDRF Plan), also administered by PERS. Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CDRF Plan members consist of all full-time sworn and uniformed policemen and firemen who were employed on or before July 1, 1987. All full-time sworn and uniformed policemen and firemen employed after July 1, 1987, participate in the Cost-Sharing Plan. The CDRF Plan is affiliated with the Mississippi Municipal Retirement System (MRS), an agent multiple-employer defined benefit pension plan, and as of June 30, 2019, included two active members and 31 retirees and beneficiaries currently receiving benefits. Benefit provisions for both plans are established by State law and may be amended only by the State of Mississippi Legislature. The Plans' provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq. (1972, as amended), and may be amended only by the Mississippi Legislature.

PERS is administered by a 10-member Board of Trustees that includes: the State Treasurer; one gubernatorial appointee who is a member of PERS; two state employees; two PERS retirees; and one representative each from public schools and community colleges, state universities, municipalities, and counties. With the exception of the State Treasurer and the gubernatorial appointee, all members are elected to staggered six-year terms by the constituents they represent. The Board of Trustees is responsible for the general administration and proper operation of PERS. The executive director is designated by the Board to lead and conduct all business for PERS. PERS operates under legislative mandate with respect to administrative budgets, human resources, and purchasing guidelines.

The financial statements of PERS are prepared using the economic resources measurement focus and accrual basis of accounting. Member and employer contributions are recognized as revenue when due pursuant to legal requirements; investment income is recognized when earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, PERS is considered a component unit of the State of Mississippi for financial reporting purposes and, as such, the financial statements issued by PERS are included in the State of Mississippi's Comprehensive Annual Financial Report. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Supporting actuarial information for the Cost-Sharing Plan is also provided in the GASB Statement No. 68 Report for the PERS prepared as of June 30, 2019. The auditor's opinion on that report, which includes in an accompanying schedule of collective pension amounts as of June 30, 2019 and for the year then ended is also available. PERS also issues a publicly available financial report for the MRS,

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

which includes separate information for the CDRF plan. All such information is available at www.pers.ms.gov or 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.

Cost-Sharing Plan Benefits Provided

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of the Cost-Sharing Plan before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of the Cost-Sharing Plan before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less.

Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of the Cost-Sharing Plan before July 1, 2007). The Cost-Sharing Plan also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A cost-of-living adjustment payment is made to eligible retirees and beneficiaries equal to 3.0% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of the Cost-Sharing Plan before July 1, 2011), with 3.0% compounded for each fiscal year thereafter.

CDRF Plan Benefits Provided

Participating members who retire at or after age 65 or those who retire regardless of age with at least 20 years of creditable service are entitled, upon application, to an annual retirement allowance payable for life in an amount equal to 50% of their average compensation, plus 1.7% for each additional year of creditable service over 20 years, subject to a cap of 87% regardless of creditable service. Average compensation is the average compensation of a member during the six month period prior to receipt of an allowance. CDRF also provides certain death and disability benefits.

A cost-of-living adjustment is made annually to eligible retirees and beneficiaries for service retirements only on the basis of the annual percentage change in each fiscal year of the Consumer Price Index, not to exceed 2.5% per year and subject to an adjustment cap of 10%.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Cost-Sharing Plan Contributions

Employer and member contributions are based on actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due and are determined through the most recent June 30 annual valuation. Employer contribution rates consist of an amount for service cost; the amount estimated to finance benefits earned by current members during the year; and an amount for amortization of the unfunded actuarial accrued liability. Contribution rates are determined using the entry age actuarial cost method and include provisions for an annual 3.0% cost-of-living increase calculated according to the terms of the plan. The PERS Board of Trustees implemented a revised funding policy aimed at stabilizing the employer contribution rate, resulting in an employer contribution rate of 17.4% beginning July 1, 2019.

CDRF Funding Policy

The employer contribution rate, expressed as a millage rate tax applied to assessed property values, was established beginning in the 2011-2012 fiscal year at the rate necessary to maintain an asset reserve level equal to a reasonable percentage (initially 100% - 150%) of the next year's projected benefit payments. Employer contributions are set equal to the fiscal year's projected benefit payments and adjusted as necessary to maintain the assets at the established reserve level. During the year ended September 30, 2018, CDRF members contributed 8% of their annual covered salary, and the City of Clinton contributed the avails of a 1.24 mill tax levy. 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 1/2 mill per year. Contributions from other funds may be provided. The City has agreed to contribute the avails of a 0.35 mill general fund tax levy through September 30, 2020, if needed in addition to the CDRF tax levy to maintain the actuarial soundness of the CDRF. The annual required contribution for the year ended September 30, 2019, was determined as part of the June 30, 2017, actuarial valuation using the Ultimate Asset Reserve actuarial cost method. Actual employer contributions totaled \$171,034 during 2019.

Pension Liabilities and Pension Expense

The City reported a liability of approximately \$26,109,000 for its proportionate share of the collective net pension liability of the Cost-Sharing Plan and the net pension liability allocated to CDRF at September 30, 2019. The net pension liability (NPL) for both plans was measured as of June 30, 2019, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation. The NPL recorded as of September 30, 2019, and the pension expense recognized by the City for the year ended September 30, 2019, was as follows:

	Cost-Sharing Plan	CDRF	Total
Net pension liability	\$ 24,830,412	\$ 1,279,048	\$ 26,109,460
Net pension expense	\$ 3,414,245	\$ 241,730	\$ 3,655,975

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

The NPL is the difference between the TPL and the pension plans' fiduciary net position (FNP). The TPL is the present value of the pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments. The FNP is determined on the same basis as that used by the pension plans. The City's proportion of the collective Cost-Sharing Plan NPL was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating PERS employers. At June 30, 2019, the City's proportion was 0.1412% as compared to its proportion measured at June 30, 2018 of 0.1342%, or an increase of 0.007%.

The change in the NPL for the CDRF was as follows:

<i>For the year ended September 30, 2019</i>	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Service cost	\$ 8,487	\$ -	\$ 8,487
Interest	762,189	-	762,189
Difference between expected and actual experience	(19,121)	-	(19,121)
Change of assumptions	33,305	-	33,305
Employer contributions	-	222,032	(222,032)
Employee contributions	-	8,374	(8,374)
Net investment income	-	540,052	(540,052)
Benefit payments, including refunds	(833,491)	(833,491)	-
Administrative expense and other changes	-	(4,441)	4,441
Net change	(48,631)	(67,474)	18,843
Net pension liability, beginning of year	10,251,440	8,991,235	1,260,205
Net pension liability, end of year	\$ 10,202,809	\$ 8,923,761	\$ 1,279,048

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

	1% Decrease	Current Rate	1% Increase
Cost-Sharing Plan net pension liability	\$ 32,659,108	\$ 24,830,412	\$ 18,394,454
CDRF Plan net pension liability	\$ 2,245,364	\$ 1,279,048	\$ 455,858

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Cost-Sharing Plan</u>		<u>CDRF</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
<i>September 30, 2019</i>			
Differences between expected and actual experience	\$ 14,697	\$ 26,743	\$ -
Changes of assumptions	243,578	-	-
Net difference between projected and actual earnings on investments	-	271,812	6,464
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,047,718	-	-
Employer contributions subsequent to the measurement date	374,828	-	-
Total	\$ 2,680,821	\$ 298,555	\$ 6,464

Deferred outflows of resources related to the Cost-Sharing Plan resulting from City contributions subsequent to June 30, 2019 (the measurement date) were \$374,828 and will be recognized as a reduction of the net pension liability during the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an addition to (reduction of) pension expense as follows:

	<u>Cost-Sharing Plan</u>		<u>CDRF</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
2020	\$ 1,055,151	\$ (25,919)	\$ 46,247
2021	947,680	445,694	(87,230)
2022	303,162	(7,791)	20,800
2023	-	(113,429)	26,647
Total	\$ 2,305,993	\$ 298,555	\$ 6,464

Actuarial assumptions

For determining employer contribution rates, the actuary evaluates the assets of the plans based on a five-year smoothed expected return with 20% of a year's excess or shortfall of expected return recognized each year for five years.

City of Clinton, Mississippi
Notes to Basic Financial Statements

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

The TPL was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Cost-Sharing Plan	CDRF Plan
Inflation	3.00%	3.00%
Investment rate of return (net of plan investment expenses)	7.75%	7.75%
Projected salary increases, including inflation	3.25% - 18.50%	4.00% - 5.50%

The actuarial assumptions used in the Cost-Sharing Plan actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report was dated April 18, 2017.

Mortality rates for the Cost-Sharing Plan were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with mortality improvements based on Scale BB projected to 2022 and set forward one year for males with adjustments.

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

Investment Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	27.00%	4.90%
International equity	22.00%	4.75%
Global equity	12.00%	5.00%
Debt securities	20.00%	1.50%
Real estate	10.00%	4.00%
Private equity	8.00%	6.25%
Cash equivalents	1.00%	0.25%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.75% for both pension plans. The projection of cash flows used to determine the discount rate for the Cost-Sharing Plan assumed that plan member contributions will be made at the current contribution rate (9.00%) and that the employer contributions will be made at the current employer contribution rate (15.75%) through June 30, 2020. The assumed investment rate of return for the CDRF plan, net of pension plan investment expense, and including inflation, was 7.75%. Based on those assumptions, components

Note 10: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

of the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Note 11: COMMITMENTS AND CONTINGENT LIABILITIES

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 December 2019, and provides for a monthly charge to the City of \$13.88 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, 2020, and provides for a monthly charge to the City of \$52,556 (subject to annual adjustment based on the Consumer Price Index) plus repair costs incurred by the contractor.

The City is a defendant in 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. However, the outcome or an estimated range of loss for these lawsuits is not presently determinable.

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 12: TAX ABATEMENTS

The City enters into ad valorem tax abatement agreements with local manufactures and other enterprises under Section 27-31-101 through Section 27-31-117 of the Mississippi Code of 1972, as annotated. The City is empowered, at their discretion, to grant exemptions from ad valorem taxation, except state ad valorem taxation and school district ad valorem taxation for a period of up to ten years on tangible property used in, or necessary to, the operation of the manufacturers and other new enterprises business. The City may grant two five-year exemptions that equal ten years. The products of the manufacturers or new enterprises and the automobiles and trucks operating over the highways of the State of Mississippi are not subject to the tax abatements. Based on Section 27-31-111 of the Mississippi Code of 1972, if at any time during the period of ad valorem tax exemption a manufacturer and/or a new enterprise has a cessation of operations for a continuous period of twelve months or more, all unexpired tax exemptions shall become void. If operations begin again at a later date, a new application must be filed. During the fiscal year ended September 30, 2019, no manufacturer or new enterprise has had a cessation of operations.

Note 12: TAX ABATEMENTS (Continued)

The City provided tax abatement agreements that exceeded 10.00% of the total amount abated to certain manufacturers of plastic products of 54% or \$64,219, and manufacturers of beverage products of 46% or \$54,944, totaling \$119,163 in abated ad valorem taxes during the year ended September 30, 2019.

Note 13: 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. As discussed in Note 1, the City's Self-Funded Group Insurance Fund had a deficit in fund equity at September 30, 2019.

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 \$530 per month per employee to the plan for medical and dental, 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 is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer. Stop-loss coverage is in effect for individual claims exceeding \$60,000 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 (which began August 1, 2019) is approximately \$1,612,000, while the previous policy year had an aggregate stop-loss coverage attachment point of approximately \$1,438,000. 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 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

Note 13: RISK MANAGEMENT (Continued)

settled claims, the frequency of claims and other economic and social factors. Non-incremental 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:

<i>Years Ended September 30,</i>	<i>2018</i>
Claims liability, beginning of year	\$ 235,940
Current year claims	1,091,223
Claims paid in current year	(1,200,919)
Claims liability, end of year	\$ 126,244

Note 14: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability – Cost-Sharing Plan

<i>For the years ended September 30,</i>	2019	2018	2017	2016	2015
Last Ten Fiscal Years: *					
City's proportion of the net pension liability	\$ 24,830,412	\$ 22,317,123	\$ 19,956,382	\$ 21,059,885	\$ 18,311,889
City's proportionate share of the net pension liability	0.1412%	0.1342%	0.1201%	0.1179%	0.1185%
City's covered payroll	\$ 9,493,149	\$ 8,770,838	\$ 8,228,406	\$ 7,596,635	\$ 7,434,679
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.56%	254.45%	242.53%	277.23%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	54.47%	61.70%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30, of the fiscal year presented.

This schedule is presented to illustrate the requirement to disclose information for the last ten year period. However, GASB No. 68 was implemented in fiscal 2015, and until a full ten year trend is compiled, the City has only presented information for the years in which the information is available.

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of the City's Contributions – Cost-Sharing Plan
Last Ten Years Ended September 30, 2019

<i>Years ended September 30,</i>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$1,495,171	\$1,381,407	\$1,295,974	\$1,196,470	\$1,170,962	\$1,154,387	\$1,056,164	\$928,832	\$868,269	\$821,056
Contributions in relation to the contractually required contribution	1,495,171	1,381,407	1,295,974	1,196,470	1,170,962	1,154,287	1,056,164	928,832	868,269	821,056
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$9,493,149	\$8,770,838	\$8,228,406	\$7,596,635	\$7,434,679	\$7,329,441	\$7,406,479	\$7,183,542	\$7,235,575	\$6,842,133
Contributions as a percentage of the covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%	15.75%	14.26%	12.93%	12.00%	12.00%

City of Clinton, Mississippi
Notes to Schedule of Required Supplementary
Information – Cost-Sharing Plan

Note 1: SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – COST SHARING PLAN

The City's proportionate share of the net pension liability was determined based on the City's allocated percentage of its actual contributions to PERS to total actual contributions as of and for the year ended June 30, 2019. The total pension liabilities used in the development of the ratio of the plan fiduciary net position to total pension liabilities presented in the schedule was provided by the PERS actuarial consultants, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position held for PERS as of and for the year ended June 30, 2019.

Note 2: SCHEDULE OF THE CITY'S CONTRIBUTIONS – COST-SHARING PLAN

The employer contribution rate for the City was 9.75% in fiscal year 2005 with an increase in fiscal year 2006 to 10.75%. Beginning in fiscal year 2007, the employer contribution rate increased from 10.75% in .55% increments until the target rate was met in fiscal year 2008. Use of the phased-in employer contribution rate increase resulted in an annual contribution deficit for fiscal year 2007. The purpose of the phased-in approach was to moderate the impact to the State of Mississippi of a contribution rate increase. A slight increase in the employer contribution rate was implemented in fiscal year 2010, from 11.85% to 12.00%. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.00% to a projected 13.56% for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.00% for fiscal year 2011, which produced a decrease in employer normal cost. The reduction in normal cost, coupled with favorable investment experience, resulted in a revised recommended employer contribution rate from 13.56% to 12.93%, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26% and in fiscal year 2014, the Board implemented a revised funding policy aimed at stabilizing the employer contribution rate, which was set at 15.75%. The employer contribution rate has remained at 15.75% through the fiscal year ending June 30, 2019. The PERS Board of Trustees approved an increase in the employer contribution rate from 15.75% to 17.40% for the fiscal year beginning July 1, 2019.

Note 3: CHANGE OF ASSUMPTIONS

In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively. Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years.

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of Changes in the Net Pension Liability - CDRF Plan

<i>Year ended June 30,</i>	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 8,487	\$ 8,358	\$ 10,668	\$ 37,219	\$ 45,786
Interest	762,189	764,238	769,339	780,243	788,386
Differences between expected and actual experience	(19,121)	32,536	(48,446)	(164,102)	(99,775)
Changes of assumptions	33,305	-	31,606	-	229,454
Benefit payments, including refunds of employee contributions	(833,491)	(829,666)	(828,305)	(759,810)	(742,236)
Net change in total pension liability	(48,631)	(24,534)	(65,138)	(106,450)	221,615
Total pension liability - beginning	10,251,440	10,275,974	10,341,112	10,447,562	10,225,947
Total pension liability - ending (a)	\$ 10,202,809	\$ 10,251,440	\$ 10,275,974	\$ 10,341,112	\$ 10,447,562
Plan fiduciary net position					
Contributions - employer	\$ 222,032	\$ 28,109	\$ 182,528	\$ 190,177	\$ 249,047
Contributions - member	8,374	8,142	8,142	16,900	19,764
Net investment income	540,052	775,629	1,172,297	8,619	277,791
Benefit payments, including refunds of employee contributions	(833,491)	(829,666)	(828,305)	(759,810)	(742,236)
Administrative expense and other changes	(4,441)	(1,392)	(1,809)	20,942	(4,981)
Net change in plan fiduciary net position	(67,474)	(19,178)	532,853	(523,172)	(200,615)
Plan net position - beginning	8,991,235	9,010,413	8,477,560	9,000,732	9,201,347
Plan net position - ending (b)	\$ 8,923,761	\$ 8,991,235	\$ 9,010,413	\$ 8,477,560	\$ 9,000,732
Net pension liability - ending (a) - (b)	\$ 1,279,048	\$ 1,260,205	\$ 1,265,561	\$ 1,863,552	\$ 1,446,830
Plan fiduciary net position as a percentage of the total pension liability	87.46%	87.71%	87.68%	81.98%	86.15%
Covered payroll*	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of the City's Contributions - CDRF Plan

<i>Year ended June 30,</i>	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 222,032	\$ 28,109	\$ 182,528	\$ 190,177	\$ 249,047
Contributions in relation to the actuarially determined contribution	222,032	28,109	182,528	190,177	249,047
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-
Covered payroll*	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

City of Clinton, Mississippi
Notes to Schedule of Required Supplementary
Information - CDRF Plan

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ending September 30, 2019 were based on the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	4.00 - 5.50%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final	Budgetary Basis, (See Note A)	
AVAILABLE				
Licenses and permits	\$ 965,000	\$ 1,029,000	\$ 1,030,839	\$ 1,839
State grants	156,000	332,000	343,080	11,080
State shared revenues	5,136,900	5,259,400	5,258,195	(1,205)
Local grants	100,000	104,000	103,742	(258)
Charges for services	112,224	128,524	126,387	(2,137)
Fines and forfeitures	496,000	411,400	482,314	70,914
Interest earned	-	35,300	35,200	(100)
Management fee	144,000	144,000	144,000	-
Miscellaneous	873,226	1,784,026	1,777,048	(6,978)
Total receipts, other than taxes	7,983,350	9,227,650	9,300,805	73,155
Beginning fund balance	1,634,505	894,540	894,540	-
Total available, other than taxes	9,617,855	10,122,190	10,195,345	73,155
Ad valorem taxes to be provided by levy	8,065,597	8,115,597	8,114,850	(747)
Total Available From All Sources	\$ 17,683,452	\$ 18,237,787	\$ 18,310,195	\$ 72,408
EXPENDITURES				
General government:				
Elected Officials:				
Personal services	\$ 335,594	\$ 311,594	\$ 310,824	\$ (770)
Supplies	3,100	5,000	4,938	(62)
Other services and charges	35,961	35,961	35,220	(741)
Total Elected Officials	374,655	352,555	350,982	(1,573)
Court Services:				
Personal services	322,369	309,369	307,313	(2,056)
Supplies	3,500	9,100	9,092	(8)
Other services and charges	56,829	78,829	78,625	(204)
Total Court Services	382,698	397,298	395,030	(2,268)
Administration:				
Personal services	390,952	391,752	391,703	(49)
Supplies	13,350	7,000	6,233	(767)
Other services and charges	321,882	338,882	338,087	(795)
Total Administration	726,184	737,634	736,023	(1,611)
Legal:				
Personal services	93,658	102,358	102,297	(61)
Supplies	1,200	1,200	1,131	(69)
Other services and charges	16,732	24,032	23,932	(100)
Total Legal	111,590	127,590	127,360	(230)

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final	Budgetary Basis, (See Note A)	
EXPENDITURES (Continued)				
Community Development:				
Personal services	\$ 207,911	\$ 195,911	\$ 195,388	\$ (523)
Supplies	28,400	21,600	21,501	(99)
Other services and charges	19,518	15,918	15,847	(71)
Capital outlay	22,000	19,300	19,214	(86)
Debt service	10,804	10,804	1,119	(9,685)
Total Community Development	288,633	263,533	253,069	(10,464)
Total General Government	1,883,760	1,878,610	1,862,464	(16,146)
Public Safety:				
Law Enforcement:				
Personal services	4,419,629	4,183,629	4,176,213	(7,416)
Supplies	334,986	394,986	394,733	(253)
Other services and charges	407,949	536,069	535,571	(498)
Capital outlay	127,275	149,775	149,628	(147)
Debt service	217,693	4,093	3,944	(149)
Total Law Enforcement	5,507,532	5,268,552	5,260,089	(8,463)
Fire Protection:				
Personal services	3,890,687	3,964,687	3,964,618	(69)
Supplies	166,850	191,850	191,172	(678)
Other services and charges	273,285	266,285	265,505	(780)
Capital outlay	72,164	55,164	54,414	(750)
Debt service	182,643	170,143	169,701	(442)
Total Fire Protection	4,585,629	4,648,129	4,645,410	(2,719)
Inspection:				
Personal services	175,619	176,619	176,590	(29)
Supplies	9,800	4,800	4,561	(239)
Other services and charges	12,796	12,296	11,822	(474)
Total Inspection	198,215	193,715	192,973	(742)
Total Public Safety	10,291,376	10,110,396	10,098,472	(11,924)
Street:				
Personal services	264,875	255,875	255,664	(211)
Supplies	285,072	189,372	189,195	(177)
Other services and charges	600,584	628,340	628,178	(162)
Capital outlay	1,241,112	1,068,112	1,068,087	(25)
Debt service	88,822	87,922	87,922	-
Total Street	2,480,465	2,229,621	2,229,046	(575)

(Continued)

City of Clinton, Mississippi Budgetary Comparison Schedule - General Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget-Over (Under)
EXPENDITURES (Continued)				
Parks and Recreation:				
Personal services	\$ 717,403	\$ 606,403	\$ 605,702	\$ (701)
Supplies	194,500	185,500	184,961	(539)
Other services and charges	349,012	440,184	440,317	133
Capital outlay	33,500	90,500	90,493	(7)
Debt service	482,362	482,362	481,457	(905)
Total Parks and Recreation	1,776,777	1,804,949	1,802,930	(2,019)
4 C's:				
Other services and charges	20,000	20,000	20,000	-
Total 4 C's	20,000	20,000	20,000	-
City Buildings:				
Supplies	51,000	20,000	19,630	(370)
Other services and charges	43,451	49,828	49,776	(52)
Capital outlay	-	9,900	9,900	-
Total City Buildings	94,451	79,728	79,306	(422)
Therapeutic Recreation:				
Personal services	143,880	131,880	130,926	(954)
Supplies	11,100	9,100	8,408	(692)
Other services and charges	27,999	30,852	30,655	(197)
Capital outlay	39,000	26,400	26,300	(100)
Debt service	5,553	1,353	1,221	(132)
Total Therapeutic Recreation	227,532	199,585	197,510	(2,075)
Total Culture and Recreation	2,118,760	2,104,262	2,099,746	(4,516)
Communications:				
Personal services	47,454	50,954	50,855	(99)
Supplies	900	4,900	4,849	(51)
Other services and charges	180,805	130,805	129,937	(868)
Capital outlay	-	10,600	10,536	(64)
Total Communications	229,159	197,259	196,177	(1,082)
Main Street:				
Personal services	267,237	144,237	143,815	(422)
Supplies	15,100	13,850	13,733	(117)
Other services and charges	35,604	34,986	34,096	(890)
Total Main Street	317,941	193,073	191,644	(1,429)
Economic Development:				
Personal services	-	27,375	26,485	(890)
Supplies	-	3,350	3,237	(113)
Other services and charges	-	9,812	9,707	(105)
Total Economic Development	-	40,537	39,429	(1,108)

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final	Budgetary Basis, (See Note A)	
EXPENDITURES (Continued)				
Olde Towne Depot:				
Personal services	\$ -	\$ 119,510	\$ 118,524	\$ (986)
Supplies	-	9,850	9,841	(9)
Other services and charges	-	16,004	15,846	(158)
Total Olde Towne Depot	-	145,364	144,211	(1,153)
Total Economic Development	547,100	576,233	571,461	(4,772)
Transfers and other charges	330,618	199,734	199,883	149
Total expenditures	17,652,079	17,098,856	17,061,072	(37,784)
Ending fund balance	31,373	1,138,931	1,249,123	110,192
Total Expenditures and Ending Fund Balance	\$ 17,683,452	\$ 18,237,787	\$ 18,310,195	\$ 72,408

(Concluded)

City of Clinton, Mississippi
Notes to Budgetary Comparison Schedule - General Fund

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	\$ 18,310,195
Differences:	
GAAP basis receivables are reflected as budgetary basis available in the year received	(45,417)
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing sources are included in budgetary basis available	(649,888)
Beginning fund balance is included in budgetary basis available	(894,540)
<hr/>	
Revenues - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 16,576,350
<hr/>	
Expenditures - Budgetary Comparison Schedule	\$ 17,061,072
Differences:	
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing uses are included in budgetary basis expenditures	(199,734)
<hr/>	
Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 16,717,338
<hr/>	
Other Financing Sources (Uses) - Budgetary Comparison Schedule	\$ -
Differences:	
Other financing sources are included in budgetary basis available	649,888
Other financing uses are included in budgetary basis expenditures	(199,734)
<hr/>	
Other Financing Sources (Uses) - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 450,154
<hr/>	

OTHER SUPPLEMENTARY INFORMATION

City of Clinton, Mississippi
Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 81,849	\$ 1,261,028	\$ 1,253,083	\$ 2,595,960
Receivables:				
Property taxes	-	1,168,019	-	1,168,019
Tourism tax	71,420	-	-	71,420
Special assessments	-	243,336	-	243,336
Prepaid expenses	-	28,440	-	28,440
Due from other funds	-	21,809	2,157	23,966
Total Assets	\$ 153,269	\$ 2,722,632	\$ 1,255,240	\$ 4,131,141
Liabilities				
Accounts payable	\$ 18,806	\$ 65,052	\$ 23,031	\$ 106,889
Due to other funds	2,803	-	8,071	10,874
Customer deposits	11,415	-	-	11,415
Total Liabilities	33,024	65,052	31,102	129,178
Deferred Inflows of Resources				
Property taxes levied for subsequent year	-	1,138,812	-	1,138,812
Unavailable special assessments	-	243,336	-	243,336
Total Deferred Inflows of Resources	-	1,382,148	-	1,382,148
Fund Balances				
Restricted for:				
Economic development and tourism	120,245	-	-	120,245
Debt service	-	1,255,199	-	1,255,199
Capital projects	-	-	1,224,138	1,224,138
Assigned to:				
Debt service	-	20,233	-	20,233
Total Fund Balances	120,245	1,275,432	1,224,138	2,619,815
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 153,269	\$ 2,722,632	\$ 1,255,240	\$ 4,131,141

City of Clinton, Mississippi
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Governmental Funds

Year ended September 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 1,389,384	\$ -	\$ 1,389,384
Intergovernmental	328,510	67,432	259,671	655,613
Charges for services	33,245	-	-	33,245
Special assessments	-	27,037	-	27,037
Interest	843	16,752	19,852	37,447
Contributions	514	-	-	514
Total Revenues	363,112	1,500,605	279,523	2,143,240
Expenditures				
Current:				
General government	-	14,935	-	14,935
Culture and recreation	169,749	-	-	169,749
Economic development	151,722	-	-	151,722
Debt service	-	1,776,341	-	1,776,341
Capital outlay	8,652	-	1,208,268	1,216,920
Total Expenditures	330,123	1,791,276	1,208,268	3,329,667
Excess (deficiency) of Revenues Over Expenditures	32,989	(290,671)	(928,745)	(1,186,427)
Other Financing Sources (Uses)				
Transfers in	70,000	547,677	370,000	987,677
Transfers out	-	(347,943)	(647,005)	(994,948)
Total other financing sources	70,000	199,734	(277,005)	(7,271)
Net Change in Fund Balances	102,989	(90,937)	(1,205,750)	(1,193,698)
Fund Balances - Beginning	17,256	1,366,369	2,429,888	3,813,513
Fund Balances- Ending	\$ 120,245	\$ 1,275,432	\$ 1,224,138	\$ 2,619,815

City of Clinton, Mississippi
Combining Balance Sheet - Nonmajor Special Revenue Funds

September 30, 2019

	2% Tourism Tax Fund	1% Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 23,482	\$ 57,909	\$ 458	\$ 81,849
Tourism tax receivable	53,565	17,855	-	71,420
Total Assets	\$ 77,047	\$ 75,764	\$ 458	\$ 153,269
Liabilities				
Accounts payable	\$ 18,806	\$ -	\$ -	\$ 18,806
Due to other funds	2,803	-	-	2,803
Customer deposits	11,415	-	-	11,415
Total Liabilities	33,024	-	-	33,024
Fund Balances				
Restricted for:				
Economic development and tourism	44,023	75,764	458	120,245
Total Fund Balances	44,023	75,764	458	120,245
Total Liabilities and Fund Balances	\$ 77,047	\$ 75,764	\$ 458	\$ 153,269

City of Clinton, Mississippi
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Special Revenue Funds

Year ended September 30, 2019

	2% Tourism Tax Fund	1% Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Revenues				
Intergovernmental:				
Tourism tax	\$ 252,954	\$ 75,556	\$ -	\$ 328,510
	252,954	75,556	-	328,510
Charges for services	33,245	-	-	33,245
Interest	177	208	458	843
Contributions	514	-	-	514
Total Revenues	286,890	75,764	458	363,112
Expenditures				
Culture and Recreation:				
Personal services	94,346	-	-	94,346
Supplies	31,146	-	-	31,146
Other services and charges	44,257	-	-	44,257
	169,749	-	-	169,749
Economic Development:				
Other services and charges	151,722	-	-	151,722
Capital outlay	8,652	-	-	8,652
Total Expenditures	330,123	-	-	330,123
Excess (deficiency) of Revenues Over Expenditures	(43,233)	75,764	458	32,989
Other Financing Sources				
Transfers in	70,000	-	-	70,000
Total Other Financing Sources	70,000	-	-	70,000
Net Change in Fund Balances	26,767	75,764	458	102,989
Fund Balances - Beginning	17,256	-	-	17,256
Fund Balances - Ending	\$ 44,023	\$ 75,764	\$ 458	\$ 120,245

City of Clinton, Mississippi
Combining Balance Sheet -
Nonmajor Debt Service Funds

<i>September 30, 2019</i>	G.O. Negotiable Note Series 2014 Fund	2012 Infrastructure Bond and Interest Fund	2016 Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Parks and Recreation Bond and Interest Fund	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	\$ -	\$ 431,940	\$ 123,567	\$ 480,118	\$ 205,170	\$ -	\$ 13,655	\$ 1,700	\$ 4,878	\$ 1,261,028
Property taxes receivable	-	264,746	123,549	264,746	514,978	-	-	-	-	1,168,019
Special assessments receivable	-	-	-	243,336	-	-	-	-	-	243,336
Prepaid expenses	-	-	-	-	-	28,440	-	-	-	28,440
Due from other funds	-	-	-	21,809	-	-	-	-	-	21,809
Total Assets	\$ -	\$ 696,686	\$ 247,116	\$ 1,010,009	\$ 720,148	\$ 28,440	\$ 13,655	\$ 1,700	\$ 4,878	\$ 2,722,632
Liabilities										
Accounts payable	\$ -	\$ 44,221	\$ 20,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,052
Total Liabilities	-	44,221	20,831	-	-	-	-	-	-	65,052
Deferred Inflows of Resources										
Property taxes levied for subsequent year	-	258,039	120,418	258,039	502,316	-	-	-	-	1,138,812
Unavailable special assessments	-	-	-	243,336	-	-	-	-	-	243,336
Total Deferred Inflows of Resources	-	258,039	120,418	501,375	502,316	-	-	-	-	1,382,148
Fund Balances										
Restricted for debt service	-	394,426	105,867	508,634	217,832	28,440	-	-	-	1,255,199
Assigned to debt service	-	-	-	-	-	-	13,655	1,700	4,878	20,233
Total Fund Balances	-	394,426	105,867	508,634	217,832	28,440	13,655	1,700	4,878	1,275,432
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 696,686	\$ 247,116	\$ 1,010,009	\$ 720,148	\$ 28,440	\$ 13,655	\$ 1,700	\$ 4,878	\$ 2,722,632

City of Clinton, Mississippi
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Debt Service Funds

<i>Year ended September 30, 2019</i>	G.O. Negotiable Note Series 2014 Fund	2012 Infrastructure Bond and Interest Fund	2016 Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Parks and Recreation Bond and Interest Fund	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	\$ -	\$ 314,947	\$ 147,072	\$ 314,959	\$ 612,406	\$ -	\$ -	\$ -	\$ -	\$ 1,389,384
Intergovernmental:										
State grants	-	7,349	3,429	7,349	14,305	-	-	-	-	32,432
County shared revenues	-	-	-	-	-	-	35,000	-	-	35,000
	-	7,349	3,429	7,349	14,305	-	35,000	-	-	67,432
Special assessments	-	-	-	27,037	-	-	-	-	-	27,037
Interest	-	6,045	999	6,830	2,730	-	60	23	65	16,752
Total Revenues	-	328,341	151,500	356,175	629,441	-	35,060	23	65	1,500,605
Expenditures										
General government:										
Other services and charges	-	3,404	1,589	3,405	6,537	-	-	-	-	14,935
Debt service	71,160	272,002	113,213	231,969	571,888	328,096	113,263	20,850	53,900	1,776,341
Total Expenditures	71,160	275,406	114,802	235,374	578,425	328,096	113,263	20,850	53,900	1,791,276
Excess (Deficiency) of Revenues over Expenditures	(71,160)	52,935	36,698	120,801	51,016	(328,096)	(78,203)	(20,827)	(53,835)	(290,671)
Other Financing Sources (Uses)										
Transfers in	71,160	-	-	-	-	323,988	79,344	20,540	52,645	547,677
Transfers out	-	(329,161)	(2,566)	(5,503)	(10,713)	-	-	-	-	(347,943)
Total Other Financing Sources (Uses)	71,160	(329,161)	(2,566)	(5,503)	(10,713)	323,988	79,344	20,540	52,645	199,734
Net Change in Fund Balances	-	(276,226)	34,132	115,298	40,303	(4,108)	1,141	(287)	(1,190)	(90,937)
Fund Balances - Beginning	-	670,652	71,735	393,336	177,529	32,548	12,514	1,987	6,068	1,366,369
Fund Balances - Ending	\$ -	\$ 394,426	\$ 105,867	\$ 508,634	\$ 217,832	\$ 28,440	\$ 13,655	\$ 1,700	\$ 4,878	\$ 1,275,432

City of Clinton, Mississippi
Combining Balance Sheet -
Nonmajor Capital Projects Funds

<i>September 30, 2019</i>	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Old Town Spring Park Project Fund	Solid Waste Removal Project Fund	Hampstead Boulevard Construction Project Fund	Fire Station #4 Construction Project Fund	Train Station Construction Project Fund	Lions Club Park Project Fund	Cynthia Road Bridge Project Fund	Kickapoo Road Bridge Project Fund	Total Nonmajor Capital Projects Funds
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 743,823	\$ -	\$ -	\$ -	\$ 402,925	\$ 59,094	\$ 47,241	\$ 1,253,083
Due from other funds	-	-	-	157	-	-	-	-	-	2,000	2,157
Total Assets	\$ -	\$ -	\$ -	\$ 743,980	\$ -	\$ -	\$ -	\$ 402,925	\$ 59,094	\$ 49,241	\$ 1,255,240
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ 19,239	\$ -	\$ -	\$ -	\$ -	\$ 2,035	\$ 1,757	\$ 23,031
Due to other funds	-	-	-	-	-	-	-	157	6,003	1,911	8,071
Total Liabilities	-	-	-	19,239	-	-	-	157	8,038	3,668	31,102
Fund Balances											
Restricted for capital projects	-	-	-	724,741	-	-	-	402,768	51,056	45,573	1,224,138
Total Fund Balances	-	-	-	724,741	-	-	-	402,768	51,056	45,573	1,224,138
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 743,980	\$ -	\$ -	\$ -	\$ 402,925	\$ 59,094	\$ 49,241	\$ 1,255,240

City of Clinton, Mississippi
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Capital Projects Funds

<i>Year ended September 30, 2019</i>	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Old Town Spring Park Project Fund	Solid Waste Removal Project Fund	Hampstead Boulevard Construction Project Fund	Fire Station #4 Construction Project Fund	Train Station Construction Fund	Lions Club Park Project Fund	Cynthia Road Bridge Project Fund	Kickapoo Road Bridge Project Fund	Total Nonmajor Capital Projects Funds
Revenues											
Intergovernmental:											
State grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,500	\$ 59,903	\$ 51,268	\$ 209,671
County shared revenues	-	-	-	50,000	-	-	-	-	-	-	50,000
	-	-	-	50,000	-	-	-	98,500	59,903	51,268	259,671
Interest	2,350	131	1	13,220	1,889	362	1,429	254	116	100	19,852
Total Revenues	2,350	131	1	63,220	1,889	362	1,429	98,754	60,019	51,368	279,523
Expenditures											
Public Safety:											
Capital outlay	-	-	-	1,052,524	-	-	75,000	65,986	8,963	5,795	1,208,268
Total Expenditures	-	-	-	1,052,524	-	-	75,000	65,986	8,963	5,795	1,208,268
Excess of Revenues over Expenditures	2,350	131	1	(989,304)	1,889	362	(73,571)	32,768	51,056	45,573	(928,745)
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	-	370,000	-	-	370,000
Transfers out	(260,547)	(14,601)	(89)	-	(209,481)	(40,082)	(122,205)	-	-	-	(647,005)
Total Other Financing Sources (Uses)	(260,547)	(14,601)	(89)	-	(209,481)	(40,082)	(122,205)	370,000	-	-	(277,005)
Net Change in Fund Balances	(258,197)	(14,470)	(88)	(989,304)	(207,592)	(39,720)	(195,776)	402,768	51,056	45,573	(1,205,750)
Fund Balances - Beginning	258,197	14,470	88	1,714,045	207,592	39,720	195,776	-	-	-	2,429,888
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ 724,741	\$ -	\$ -	\$ -	\$ 402,768	\$ 51,056	\$ 45,573	\$ 1,224,138

City of Clinton, Mississippi
Budgetary Comparison Schedule
2% Tourism Tax Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Tourism taxes	\$ 300,000	\$ 254,000	\$ 230,212	\$ (23,788)
Transfer from other funds	-	70,000	70,000	-
Rental income	100	796	796	-
Bankcard fees collected	630	4,130	4,155	25
Other revenue	-	-	691	691
Sales revenue	-	-	28,294	28,294
Total receipts, other than taxes	300,730	328,926	334,148	5,222
Beginning fund balance	(1,265)	14,066	14,066	-
Total Available From All Sources	\$ 299,465	\$ 342,992	\$ 348,214	\$ 5,222
EXPENDITURES				
Visitor center:				
Personal services	\$ 107,185	\$ 94,815	\$ 94,346	\$ (469)
Supplies:				
Costs of sales	12,000	18,800	20,105	1,305
Other	13,800	13,800	12,376	(1,424)
Other services and charges	39,015	43,943	42,922	(1,021)
Capital outlay	10,000	8,700	8,652	(48)
Total visitor center	182,000	180,058	178,401	(1,657)
Tourism promotion:				
Other services and charges	81,570	152,670	151,722	(948)
Total expenditures	263,570	332,728	330,123	(2,605)
Ending fund balance	35,895	10,264	18,091	7,827
Total Expenditures and Ending Fund Balance	\$ 299,465	\$ 342,992	\$ 348,214	\$ 5,222

City of Clinton, Mississippi
Budgetary Comparison Schedule
1% Tourism Tax Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Tourism taxes	\$ -	\$ 57,701	\$ 57,701	\$ -
Other revenue	-	208	208	-
Total receipts, other than taxes	-	57,909	57,909	-
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ -	\$ 57,909	\$ 57,909	\$ -
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Ending fund balance	-	57,909	57,909	-
Total Expenditures and Ending Fund Balance	\$ -	\$ 57,909	\$ 57,909	\$ -

City of Clinton, Mississippi
Budgetary Comparison Schedule
Special Law Enforcement Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ 458	\$ 458	\$ -
Total receipts	-	458	458	-
Beginning fund balance	49,156	-	-	-
Total Available From All Sources	\$ 49,156	\$ 458	\$ 458	\$ -
<u>EXPENDITURES</u>				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Ending fund balance	49,156	458	458	-
Total Expenditures and Ending Fund Balance	\$ 49,156	\$ 458	\$ 458	\$ -

City of Clinton, Mississippi
Budgetary Comparison Schedule
G.O. Negotiable Note Series 2014 Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Transfers from other funds	\$ 71,022	\$ 71,160	\$ 71,160	\$ -
Total receipts	71,022	71,160	71,160	-
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ 71,022	\$ 71,160	\$ 71,160	\$ -
EXPENDITURES				
Debt service	\$ 71,022	\$ 71,160	\$ 71,160	\$ -
Total expenditures	71,022	71,160	71,160	-
Ending fund balance	-	-	-	-
Total Expenditures and Ending Fund Balance	\$ 71,022	\$ 71,160	\$ 71,160	\$ -

City of Clinton, Mississippi
Budgetary Comparison Schedule
2012 Infrastructure Bond and Interest Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Homestead exemption reimbursement	\$ -	\$ 7,400	\$ 7,349	\$ (51)
Interest earned	-	6,000	6,045	45
Total receipts other than taxes	-	13,400	13,394	(6)
Beginning fund balance	620,944	660,528	660,528	-
Total available, other than taxes	620,944	673,928	673,922	(6)
Ad valorem taxes to be provided by levy	307,750	317,750	318,365	615
Total Available From All Sources	\$ 928,694	\$ 991,678	\$ 992,287	\$ 609
EXPENDITURES				
Other services and charges	\$ 3,923	\$ 3,423	\$ 3,404	\$ (19)
Debt service	274,563	272,063	272,002	(61)
Transfers to other funds	5,173	329,173	329,161	(12)
Total expenditures	283,659	604,659	604,567	(92)
Ending fund balance	645,035	387,019	387,720	701
Total Expenditures and Ending Fund Balance	\$ 928,694	\$ 991,678	\$ 992,287	\$ 609

City of Clinton, Mississippi
Budgetary Comparison Schedule
2016 Infrastructure Bond and Interest Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Homestead exemption reimbursement	\$ -	\$ 3,500	\$ 3,429	\$ (71)
Interest earned	-	1,000	999	(1)
Total receipts other than taxes	-	4,500	4,428	(72)
Beginning fund balance	54,484	67,105	67,105	-
Total available, other than taxes	54,484	71,605	71,533	(72)
Ad valorem taxes to be provided by levy	143,617	148,617	148,571	(46)
Total Available From All Sources	\$ 198,101	\$ 220,222	\$ 220,104	\$ (118)
EXPENDITURES				
Other services and charges	\$ 1,830	\$ 1,589	\$ 1,589	\$ -
Debt service	113,763	113,213	113,213	-
Transfers to other funds	2,566	2,566	2,566	-
Total expenditures	118,159	117,368	117,368	-
Ending fund balance	79,942	102,854	102,736	(118)
Total Expenditures and Ending Fund Balance	\$ 198,101	\$ 220,222	\$ 220,104	\$ (118)

City of Clinton, Mississippi
Budgetary Comparison Schedule
G.O. Refunding Bonds 2013 Bond and Interest Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ 7,400	\$ 7,349	\$ (51)
Interest earned	-	5,000	4,937	(63)
Special assessments	-	28,930	28,930	-
Total receipts other than taxes	-	41,330	41,216	(114)
Beginning fund balance	301,432	361,414	361,414	-
Total available, other than taxes	301,432	402,744	402,630	(114)
Ad valorem taxes to be provided by levy	307,750	317,750	318,365	615
Total Available From All Sources	\$ 609,182	\$ 720,494	\$ 720,995	\$ 501
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,923	\$ 3,405	\$ 3,405	\$ -
Debt service	259,369	231,969	231,969	-
Transfers to other funds	5,503	5,503	5,503	-
Total expenditures	268,795	240,877	240,877	-
Ending fund balance	340,387	479,617	480,118	501
Total Expenditures and Ending Fund Balance	\$ 609,182	\$ 720,494	\$ 720,995	\$ 501

City of Clinton, Mississippi
Budgetary Comparison Schedule
Quisenberry Library Bond and Interest Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Homestead exemption reimbursement	\$ -	\$ 14,400	\$ 14,305	\$ (95)
Interest earned	-	2,800	2,730	(70)
Total receipts other than taxes	-	17,200	17,035	(165)
Beginning fund balance	534,879	159,350	159,350	-
Total available, other than taxes	534,879	176,550	176,385	(165)
Ad valorem taxes to be provided by levy	599,086	618,486	617,923	(563)
Total Available From All Sources	\$ 1,133,965	\$ 795,036	\$ 794,308	\$ (728)
EXPENDITURES				
Other services and charges	\$ 7,636	\$ 6,586	\$ 6,537	\$ (49)
Debt service	572,138	571,888	571,888	-
Transfers to other funds	10,713	10,713	10,713	-
Total expenditures	590,487	589,187	589,138	(49)
Ending fund balance	543,478	205,849	205,170	(679)
Total Expenditures and Ending Fund Balance	\$ 1,133,965	\$ 795,036	\$ 794,308	\$ (728)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Parks and Recreation Bond and Interest Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 329,096	\$ 323,996	\$ 323,988	\$ (8)
Total receipts	329,096	323,996	323,988	(8)
Beginning fund balance	-	32,548	32,548	-
Total Available From All Sources	\$ 329,096	\$ 356,544	\$ 356,536	\$ (8)
<u>EXPENDITURES</u>				
Debt service	\$ 329,096	\$ 328,096	\$ 328,096	\$ -
Total expenditures	329,096	328,096	328,096	-
Ending fund balance	-	28,448	28,440	(8)
Total Expenditures and Ending Fund Balance	\$ 329,096	\$ 356,544	\$ 356,536	\$ (8)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Tax Increment Financing Bond and Interest Fund - WalMart

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 79,344	\$ 79,344	\$ 79,344	\$ -
Receipt from Hinds County	35,000	35,000	35,000	-
Interest earned	-	-	60	60
Total receipts	114,344	114,344	114,404	60
Beginning fund balance	11,477	12,514	12,514	-
Total Available From All Sources	\$ 125,821	\$ 126,858	\$ 126,918	\$ 60
<u>EXPENDITURES</u>				
Debt service	\$ 114,263	\$ 113,263	\$ 113,263	\$ -
Total expenditures	114,263	113,263	113,263	-
Ending fund balance	11,558	13,595	13,655	60
Total Expenditures and Ending Fund Balance	\$ 125,821	\$ 126,858	\$ 126,918	\$ 60

City of Clinton, Mississippi
Budgetary Comparison Schedule
Tax Increment Financing Bond and Interest Fund - Parkway Center

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Transfers from other funds	\$ 20,870	\$ 20,540	\$ 20,540	\$ -
Interest earned	-	-	23	23
Total receipts	20,870	20,540	20,563	23
Beginning fund balance	1,974	1,986	1,986	-
Total Available From All Sources	\$ 22,844	\$ 22,526	\$ 22,549	\$ 23
EXPENDITURES				
Debt service	20,850	20,850	\$ 20,850	\$ -
Total expenditures	20,850	20,850	20,850	-
Ending fund balance	1,994	1,676	1,699	23
Total Expenditures and Ending Fund Balance	\$ 22,844	\$ 22,526	\$ 22,549	\$ 23

City of Clinton, Mississippi
Budgetary Comparison Schedule
Tax Increment Financing Bond and Interest Fund - Prugon

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 52,645	\$ 52,645	\$ 52,645	\$ -
Interest earned	-	-	65	65
Total receipts	52,645	52,645	52,710	65
Beginning fund balance	6,450	6,068	6,068	-
Total Available From All Sources	\$ 59,095	\$ 58,713	\$ 58,778	\$ 65
<u>EXPENDITURES</u>				
Debt service	\$ 53,500	\$ 53,900	\$ 53,900	\$ -
Total expenditures	53,500	53,900	53,900	-
Ending fund balance	5,595	4,813	4,878	65
Total Expenditures and Ending Fund Balance	\$ 59,095	\$ 58,713	\$ 58,778	\$ 65

City of Clinton, Mississippi
Budgetary Comparison Schedule
Pinehaven Drive Construction Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Interest earned	\$ -	\$ 2,350	\$ 2,350	\$ -
Total receipts	-	2,350	2,350	-
Beginning fund balance	354,706	258,197	258,197	-
Total Available From All Sources	\$ 354,706	\$ 260,547	\$ 260,547	\$ -
EXPENDITURES				
Transfers to other funds	\$ -	\$ 260,547	\$ 260,547	\$ -
Total expenditures	-	260,547	260,547	-
Ending fund balance	354,706	-	-	-
Total Expenditures and Ending Fund Balance	\$ 354,706	\$ 260,547	\$ 260,547	\$ -

City of Clinton, Mississippi
Budgetary Comparison Schedule
Arrow Drive Construction Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ 132	\$ 131	\$ (1)
Total receipts	-	132	131	(1)
Beginning fund balance	14,439	14,469	14,469	-
Total Available From All Sources	\$ 14,439	\$ 14,601	\$ 14,600	\$ (1)
<u>EXPENDITURES</u>				
Transfers to other funds	\$ -	\$ 14,601	\$ 14,601	\$ -
Total expenditures	-	14,601	14,601	-
Ending fund balance	14,439	-	(1)	(1)
Total Expenditures and Ending Fund Balance	\$ 14,439	\$ -	\$ (1)	\$ (1)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Old Town Spring Park Project Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ 1	\$ 1
Total receipts	-	-	1	1
Beginning fund balance	221,931	88	88	-
Total Available From All Sources	\$ 221,931	\$ 88	\$ 89	\$ 1
<u>EXPENDITURES</u>				
Transfers to other funds	\$ -	\$ 88	\$ 89	\$ 1
Total expenditures	-	88	89	1
Ending fund balance	221,931	-	-	-
Total Expenditures and Ending Fund Balance	\$ 221,931	\$ 88	\$ 89	\$ 1

City of Clinton, Mississippi
Budgetary Comparison Schedule
Solid Waste Removal Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget- Over (Under)
AVAILABLE				
Grant income - ARRA Funds	\$ 1,641,750	\$ -	\$ -	\$ -
Interest earned	-	13,300	13,220	(80)
Total receipts	1,641,750	13,300	13,220	(80)
Beginning fund balance	1,726,544	1,714,045	1,714,045	-
Total Available From All Sources	\$ 3,368,294	\$ 1,727,345	\$ 1,727,265	\$ (80)
EXPENDITURES				
Construction	\$ -	\$ -	\$ 4,172	\$ 4,172
Total expenditures	-	-	4,172	4,172
Ending fund balance	3,368,294	1,727,345	1,723,093	(4,252)
Total Expenditures and Ending Fund Balance	\$ 3,368,294	\$ 1,727,345	\$ 1,727,265	\$ (80)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Hampstead Boulevard Construction Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ 1,890	\$ 1,889	\$ (1)
Total receipts	-	1,890	1,889	(1)
Beginning fund balance	77,154	207,592	207,592	-
Total Available From All Sources	\$ 77,154	\$ 209,482	\$ 209,481	\$ (1)
<u>EXPENDITURES</u>				
Transfers to other funds	\$ -	\$ 209,482	\$ 209,481	\$ (1)
Total expenditures	-	209,482	209,481	(1)
Ending fund balance	77,154	-	-	-
Total Expenditures and Ending Fund Balance	\$ 77,154	\$ 209,482	\$ 209,481	\$ (1)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Fire Station #4 Construction Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary Basis	Final Budget-Over (Under)	
<u>AVAILABLE</u>					
Interest earned	\$ -	\$ 362	\$ 362	\$ -	
Total receipts	-	362	362	-	
Beginning fund balance	-	39,720	39,720	-	
Total Available From All Sources	\$ -	\$ 40,082	\$ 40,082	\$ -	
<u>EXPENDITURES</u>					
Transfers to other funds	\$ -	\$ 40,082	\$ 40,082	\$ -	
Total expenditures	-	40,082	40,082	-	
Ending fund balance	-	-	-	-	
Total Expenditures and Ending Fund Balance	\$ -	\$ 40,082	\$ 40,082	\$ -	

City of Clinton, Mississippi
Budgetary Comparison Schedule
Train Station Construction Project Fund

Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Budgetary	Variance with
	Original	Final			
<u>AVAILABLE</u>					
Interest earned	\$ -	\$ 1,500	\$ 1,429		\$ (71)
Total receipts	-	1,500	1,429		(71)
Beginning fund balance	-	195,776	195,776		-
Total Available From All Sources	\$ -	\$ 197,276	\$ 197,205		\$ (71)
<u>EXPENDITURES</u>					
Construction	\$ -	\$ 75,071	\$ 75,000		\$ (71)
Transfers to other funds	-	122,205	122,205		-
Total expenditures	-	197,276	197,205		(71)
Ending fund balance	-	-	-		-
Total Expenditures and Ending Fund					
Balance	\$ -	\$ 197,276	\$ 197,205		\$ (71)

City of Clinton, Mississippi
Budgetary Comparison Schedule
Lions Club Park Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary Basis	Final Budget-Over (Under)	
<u>AVAILABLE</u>					
Interest earned	\$ -	\$ 254	\$ 254	\$ -	
Donations - private source	-	98,500	98,500	-	
Total receipts	-	468,754	468,754	-	
Beginning fund balance	-	-	-	-	
Total Available From All Sources	\$ -	\$ 468,754	\$ 468,754	\$ -	
<u>EXPENDITURES</u>					
Construction	\$ -	\$ 65,986	\$ 65,986	\$ -	
Total expenditures	-	65,986	65,986	-	
Ending fund balance	-	402,768	402,768	-	
Total Expenditures and Ending Fund Balance	\$ -	\$ 468,754	\$ 468,754	\$ -	

City of Clinton, Mississippi
Budgetary Comparison Schedule
Cynthia Road Bridge Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary Basis	Final Budget-Over (Under)	
<u>AVAILABLE</u>					
Grant income - State of Mississippi	\$ -	\$ 59,903	\$ 59,903	\$ -	
Interest earned	-	116	116	-	
Total receipts	-	60,019	60,019	-	
Beginning fund balance	-	-	-	-	
Total Available From All Sources	\$ -	\$ 60,019	\$ 60,019	\$ -	
<u>EXPENDITURES</u>					
Capital outlay	-	8,963	8,963	\$ -	
Total expenditures	-	8,963	8,963	-	
Ending fund balance	-	51,056	51,056	-	
Total Expenditures and Ending Fund Balance	\$ -	\$ 60,019	\$ 60,019	\$ -	

City of Clinton, Mississippi
Budgetary Comparison Schedule
Kickapoo Road Bridge Project Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 51,268	\$ 51,268	\$ -
Interest earned	-	100	100	-
Total receipts	-	51,368	51,368	-
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ -	\$ 51,368	\$ 51,368	\$ -
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 5,796	\$ 5,795	\$ (1)
Total expenditures	-	5,796	5,795	(1)
Ending fund balance	-	45,572	45,573	1
Total Expenditures and Ending Fund Balance	\$ -	\$ 51,368	\$ 51,368	\$ -

City of Clinton, Mississippi
Budgetary Comparison Schedule
Senate Bill 2002 Bond Proceeds Fund

Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Interest earned	-	10,902	10,901	(1)
Total receipts	-	1,010,902	1,010,901	(1)
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ -	\$ 1,010,902	\$ 1,010,901	\$ (1)
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 780,189	\$ 780,189	\$ -
Total expenditures	-	780,189	780,189	-
Ending fund balance	-	230,713	230,712	(1)
Total Expenditures and Ending Fund Balance	\$ -	\$ 1,010,902	\$ 1,010,901	\$ (1)

City of Clinton, Mississippi
Schedule of Surety Bonds for Municipal Officials and Other Employees

September 30, 2019

Name	Position	Surety	Bond Amount
Phillip Fisher	Mayor	Travelers Casualty and Surety	\$ 25,000
Ricki Garrett	Alderman-at-Large	Travelers Casualty and Surety	\$ 100,000
David Ellis	Alderman, Ward 1	Travelers Casualty and Surety	\$ 100,000
James Martin	Alderman, Ward 2	Travelers Casualty and Surety	\$ 100,000
William O. Barnett	Alderman, Ward 3	Travelers Casualty and Surety	\$ 100,000
Keith Perritt	Alderman, Ward 4	Travelers Casualty and Surety	\$ 100,000
Jan Cossitt	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
James Baldree, Jr.	Deputy City Clerk	Travelers Casualty and Surety	\$ 50,000
Russell Wall	Tax Assessor	Western Surety Company	\$ 50,000
Ford Hayman	Police Chief	Travelers Casualty and Surety	\$ 50,000
Blanket Position Bond	All employees	Western Surety Company	\$ 50,000

INDEPENDENT AUDITORS' REPORTS ON
INTERNAL CONTROL AND COMPLIANCE



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 30, 2020



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2020.

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. Had we performed additional procedures, other matters may have come to our attention regarding the City's compliance with state laws and regulations.

The results of our procedures disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the Mayor and Board of Aldermen of the City of Clinton, 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 30, 2020