

City of Clinton, Mississippi

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2016

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



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICPA.com

City of Clinton, Mississippi
Table of Contents
September 30, 2016

<u>INTRODUCTORY SECTION</u> (Unaudited)	
Letter of Transmittal	i
List of Principal Officials	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to Basic Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Required Supplementary Information - Schedule of the City's Proportionate Share of the Net Pension Liability – Cost-Sharing Plan	63
Schedule of Required Supplementary Information - Schedule of the City's Contributions – Cost-Sharing Plan	64
Notes to Schedule of Required Supplementary Information	65
Schedule of Required Supplementary Information - Schedule of Changes in the Net Pension Liability – CDRF Plan	66
Schedule of Required Supplementary Information – Schedule of Employer Contributions – CDRF Plan	67
Budgetary Comparison Schedule - General Fund	68
Notes to Budgetary Comparison Schedule - General Fund	71
OTHER SUPPLEMENTARY INFORMATION	
Combining Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	73
Combining Balance Sheet - Nonmajor Special Revenue Funds	74

City of Clinton, Mississippi
Table of Contents
September 30, 2016

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	75
Combining Balance Sheet - Nonmajor Debt Services Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Services Funds	77
Combining Balance Sheet - Nonmajor Capitol Projects Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capitol Projects Funds	79
 Budgetary Comparison Schedules:	
Tourism Tax Fund	80
Special Law Enforcement Fund	81
G.O. Negotiable Note Series 2014 Fund	82
Infrastructure Bond and Interest Fund	83
G.O. Refunding Bonds 2013 Bond and Interest Fund	84
Quisenberry Library Bond and Interest Fund	85
Tax Increment Financing Bond and Interest Fund - United Artists	86
Tax Increment Financing Bond and Interest Fund - WalMart	87
Tax Increment Financing Bond and Interest Fund - Parkway Center	88
Tax Increment Financing Bond and Interest Fund - Prugon	89
Hampstead Boulevard Construction Project Fund	90
Arrow Drive Construction Project Fund	91
Pinehaven Drive Construction Project Fund	92
Infrastructure Construction Fund	93
Train Station Construction Fund	94
Fire Station #4 Construction Fund	95
 Other Schedules:	
Schedule of Surety Bonds for Municipal Officials and Other Employees	96
Schedule of Expenditures of Federal Awards	97
 STATISTICAL SECTION (Unaudited)	
Introduction	98
Schedule 1 - Net Position by Component	99
Schedule 2 - Changes in Net Position by Component	100
Schedule 3 - Fund Balances - Governmental Funds	102
Schedule 4 - Changes in Fund Balances - Governmental Funds	103
Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property	104
Schedule 6 - Direct and Overlapping Property Tax Rates	105
Schedule 7 - Principal Property Tax Payers	106
Schedule 8 - Property Tax Levies and Collections	107
Schedule 9 - Ratio of Outstanding Debt by Type	108
Schedule 10 - Ratio of General Bonded Debt Outstanding	109
Schedule 11 - Direct and Overlapping Governmental Activities Debt	110
Schedule 12 - Legal Debt Margin Information	111
Schedule 13 - Pledged-Revenue Coverage	112
Schedule 14 - Demographic and Economic Statistics	113



City of Clinton, Mississippi
Table of Contents
September 30, 2016

Schedule 15 - Principal Employers	114
Schedule 16 - Full-Time Equivalent City Government Employees by Function/Program	115
Schedule 17 - Operating Indicators by Function/Program	116
Schedule 18 - Capital Asset Statistics by Function/Program	117

INDEPENDENT AUDITORS' REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	120
Independent Auditors' Report on Compliance with State Laws and Regulations	122
Schedule of Findings and Questioned Costs	123
Summary Schedule of Prior Audit Findings	124

INTRODUCTORY SECTION
(Unaudited)

City of Clinton, Mississippi

Letter of Transmittal



March 23, 2017

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

Phil Fisher, Mayor

ALDERMEN
David Ellis
Ward One

Jim Martin
Ward Two

William O. Barnett
Ward Three

Greg K. Cronin
Ward Four

Jan Cossitt
Ward Five

Mike Cashlon
Ward Six

Jehu Brabham
Alderman-At-Large

Russell L. Wall
City Clerk

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Clinton for the fiscal year ended September 30, 2016. State law requires that all governments publish within thirty days of completion of an audit each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

Carr, Riggs & Ingram, LLC, a firm of licensed certified public accountants, has audited the City of Clinton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016 are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2016 are fairly presented in conformity with GAAP. The auditor's report is presented as the first item of the Financial Section of this report.

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

All funds and account groups of the City are included in the 2016 CAFR.

We recommend that you carefully read Management's Discussion and Analysis found on pages 4 through 14 in order to have a better understanding of the Basic Financial Statements.

**YOU
BELONG
HERE**

City of Clinton, Mississippi

Letter of Transmittal

Profile of the City

The City of Clinton, incorporated in 1830, is located in the east-central section of Hinds County. The City is located 8 miles west of Jackson, the capitol city of the state. The City currently occupies 40 square miles and serves a population of approximately 25,216.

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

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

The annual budget serves as the foundation for the city's financial planning and control. All departments of the City are required to submit requests for appropriation to the City's Chief Financial Officer (CFO) on or before August 1 each year. These requests are used by the CFO as the beginning point for the development of a preliminary budget. The CFO then presents the preliminary budget to the Mayor for further review and the preparation of a proposed budget for review by the Board of Aldermen prior to September 1. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget on or before September 15. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 68 through 71. For all other governmental funds, this comparison is presented on pages 80 through 95.

The City has a tradition of providing quality education to children of its citizens and others seeking quality education. Mississippi College, a private college established in 1826, is the oldest college in Mississippi and the second oldest Baptist College in the United States. Mississippi College offers its 5,070 students' with more than 83 areas of study, 16 graduate degree programs, a doctor of jurisprudence degree, a doctor of education leadership degree, and a doctor of professional counseling degree. Clinton's children are educated by the Clinton Public School District (CPSD), which educates approximately 5,086 students with 320 licensed teachers through its seven public schools (four elementary schools, two middle schools and one high school). CPSD had an annual budget of \$47.7 million for 2017. Additional quality education is provided by Mt. Salus Christian School and Clinton Christian Academy, both private schools, which offer grades K-12.

Factors Affecting Financial Condition

The City currently enjoys a stable economic environment and local indicators point to its continued stability. The City's primary sources of revenue are property taxes and sales taxes. For the year ended September 30, 2016, property taxes represented 57 percent of the City's general revenues while sales taxes represented 34 percent. City property owners pay property taxes for city, county and schools totaling 147.76 per \$1,000 of assessed value. The assessment rate is 10 percent for residential property, 15 percent for other real property and 30 percent for personal property. There is no local income tax.

City of Clinton, Mississippi Letter of Transmittal

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

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

Relevant financial policies. The City is required by Section 21-35-25 of the Mississippi Code to make revisions to the budget no later than the July board meeting if it appears at that time that collections of anticipated annual revenues will be less than expected and a deficit is thereby indicated. During the current year increases to budgeted general fund revenues were made totaling \$305 thousand dollars. As a consequence, increases of \$464 thousand were made to budgeted general fund expenditures. It is anticipated that based on the current economy and the uncertainty in the collections of budgeted sales tax and franchise fees a reduction in budgeted general fund revenues may be made during fiscal year 2016.

Major initiatives. The second phase of Windsor Planation, a residential subdivision located along Pinehaven Drive, was completed in April 2016 and work is currently underway on the third phase with roads, drainage and utilities being installed. Construction of the roadway, drainage and utility improvements also began in 2016 on Cedar Hill Place, another residential subdivision also located along Pinehaven Drive.

A new water well, located at Northside Park, was brought online in June 2016. This well provides another 1,000 gpm of water to the City's system allowing for continued on demand water for domestic use and fire protection. This project is funded under the State Revolving Fund monies from the Mississippi State Department of Health.

Sewer improvements consisting of replacement of numerous older pump stations, upgrade of capacity in some lines and rehabilitation of a number of gravity sewer lines, decreasing the amount of inflow and infiltration currently being realized in the system were completed in late summer of 2016. These improvements were made using State Revolving Fund monies from the Department of Environmental Quality.

In our Parks and Recreation Department the Clinton Baseball Association began buying and donating to the City portable pitching mounds for most of the fields allowing for the removal of the old clay mounds. This resulted in the Clinton Baseball Association to expand on the number of age groups that can play on each field allowing them to play more during the week.

In our Therapeutic Recreation Department, the Abilities program began a partnership with a non-profit agency in order to provide a literacy program for individuals of all ages with developmental disabilities. This program utilized several community volunteers, including retired teachers, to provide students with guidance needed to help improve their reading skills. Sixteen students completed the six-week program in the summer of 2016. The Living Young senior group had an opportunity to complete literacy courses of their own through individualized computer classes throughout the year. These sessions covered a variety of topics from computer basics to creating email accounts. The personalized aspect of these classes help ease fears that many senior adults have about using technology.

City of Clinton, Mississippi Letter of Transmittal

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clinton for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



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

**City of Clinton, Mississippi
List of Principal Officers
September 30, 2016**

CITY OF CLINTON
List of Principal Officers
September 30, 2016

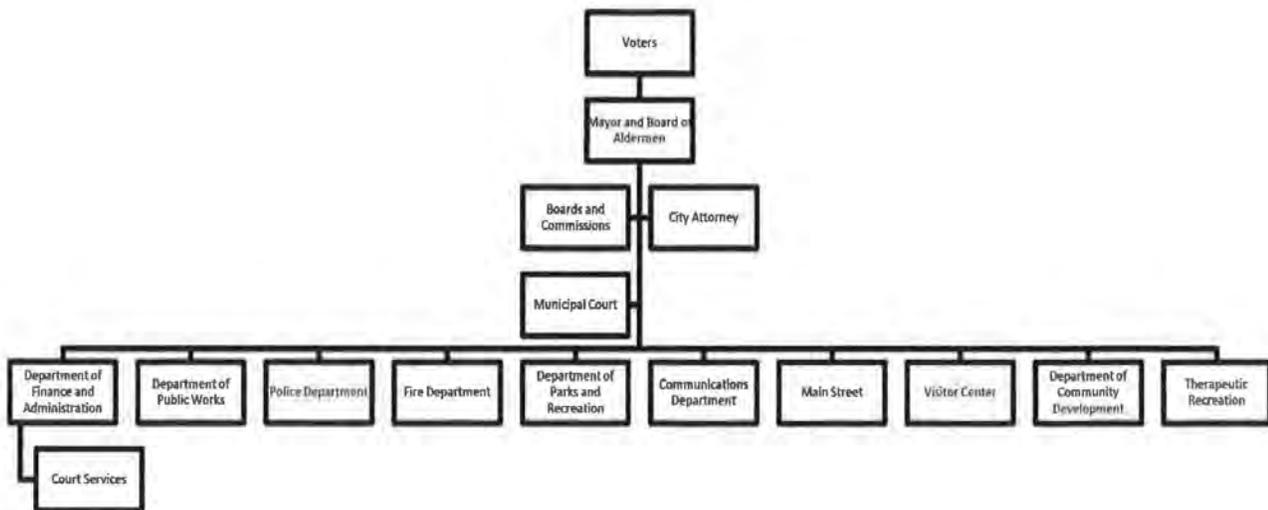
<u>Title</u>	<u>Name</u>
Mayor	Phillip Fisher
Alderman at Large	Jehu Brabham
Alderman Ward 1	David Ellis
Alderman Ward 2	Jim Martin
Alderman Ward 3	William O. Barnett
Alderman Ward 4	Greg Cronin
Alderwoman Ward 5	Jan Cossitt
Alderman Ward 6	Mike Cashion
City Attorney	Chelsea Brannon
City Clerk / Chief Financial Officer	Russell Wall
Director of Public Works	Dexter Shelby
Director of Community Development	Roy Edwards
Police Chief	Ford Hayman
Fire Chief	Jeff Blackledge
Director of Parks and Recreation	Cole Smith
Director of Therapeutic Recreation	Chandra Fontenot
Director of Communications	Mark Jones
Director of Main Street	Tara Lytal
Director of Clinton Visitor Center	Marsha Barham

**City of Clinton, Mississippi
Organizational Chart
September 30, 2016**

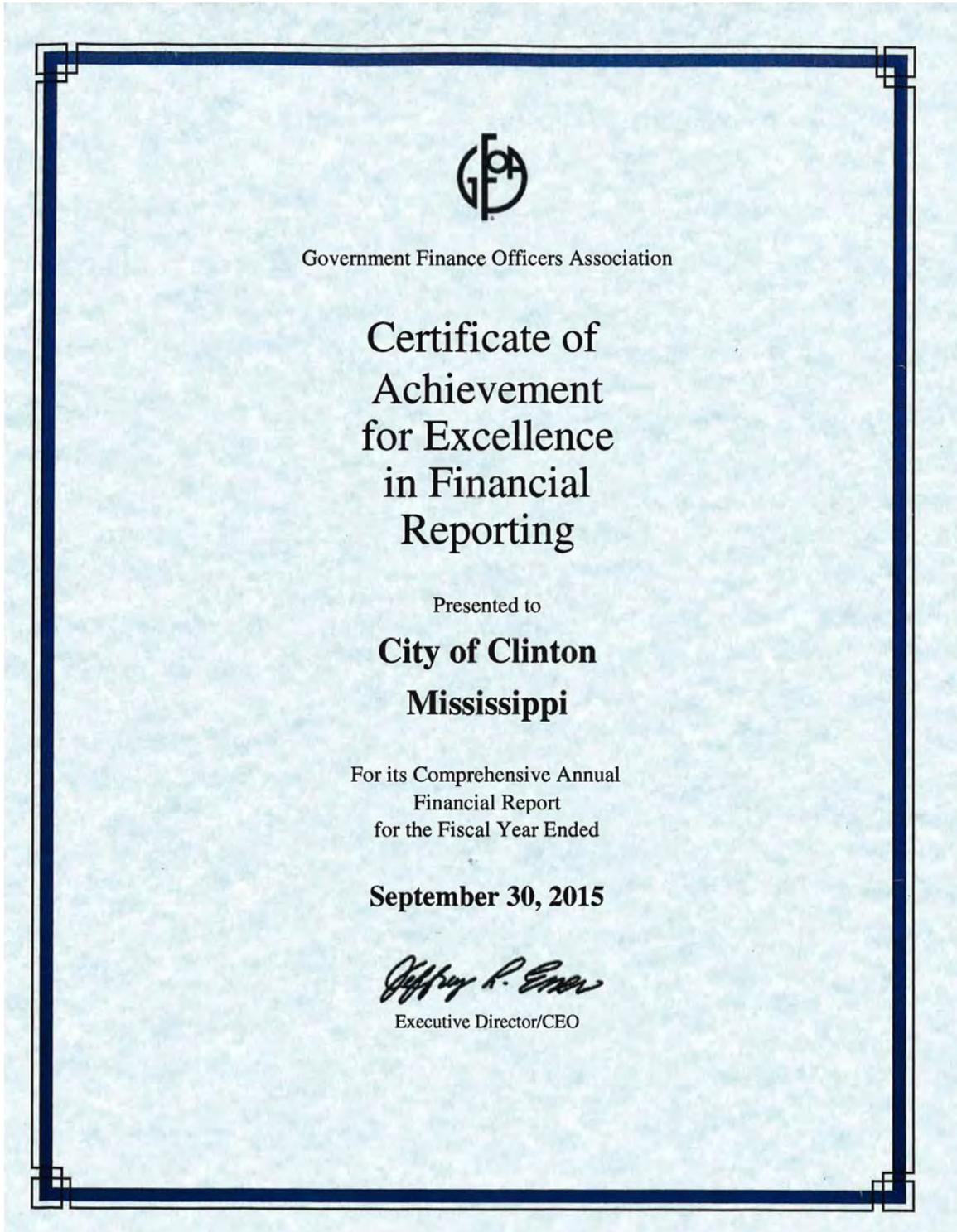
CITY OF CLINTON

Organizational Chart

September 30, 2016



City of Clinton, Mississippi
Certificate of Achievement for Excellence in Financial Reporting
September 30, 2016



FINANCIAL SECTION



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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, as of and for the year ended September 30, 2016, 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule — General Fund on pages 4 through 14 and 68 through 71 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 introductory section, combining statements, budgetary comparison schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining statements, budgetary comparison schedules, other schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, budgetary comparison schedules, other schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2017, on our consideration of City of Clinton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Clinton's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)



City of Clinton, Mississippi Management's Discussion and Analysis September 30, 2016

Our discussion and analysis of The City of Clinton's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2016. 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 (on pages 15 through 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.



City of Clinton, Mississippi Management's Discussion and Analysis September 30, 2016

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 taxes, licenses and permits, fines, and state and federal grants finance most of these activities.
- **Business-type activities:** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems and garbage collection are reported here.

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 Fire Station #4 Construction Fund) and fifteen (15) 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.



City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

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

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

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. Financial statements can be found on pages 27 and 28 of this report.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

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, 2016 total net position was \$60 million.

	City of Clinton Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 15,918,878	\$ 13,639,098	\$ 7,241,319	\$ 5,372,763	\$ 23,160,197	\$ 19,011,861
Capital assets	69,733,506	72,806,196	31,598,815	30,249,747	101,332,321	103,055,943
Total assets	85,652,384	86,445,294	38,840,134	35,622,510	124,492,518	122,067,804
Deferred outflows of resources	3,920,450	2,672,270	580,583	411,255	4,501,033	3,083,525
Long-term liabilities	40,198,806	37,076,497	19,281,573	15,481,170	59,480,379	52,557,667
Other liabilities	1,523,231	1,700,430	833,123	2,774,228	2,356,354	4,474,658
Total liabilities	41,722,037	38,776,927	20,114,696	18,255,398	61,836,733	57,032,325
Deferred inflows of resources	7,097,455	7,381,377	40,297	110,590	7,137,752	7,491,967
Net position:						
Net investment in capital assets	50,171,984	53,636,587	16,257,079	16,985,954	66,429,063	70,622,541
Restricted	4,523,822	2,234,796	7,313	118,746	4,531,135	2,353,542
Unrestricted	(13,901,458)	(12,850,912)	2,960,356	501,866	(10,941,102)	(12,349,046)
Total net position	\$ 40,794,348	\$ 43,020,471	\$ 19,224,748	\$ 17,606,566	\$ 60,019,096	\$ 60,627,037

The largest portion of the City's net position (\$66.4 million) reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, and water and sewer systems), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the related debt.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

City of Clinton
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Changes for services	\$ 823,260	\$ 971,800	\$ 9,586,523	\$ 8,953,584	\$ 10,409,783	\$ 9,925,384
Operating grants and contributions	412,736	329,327	2,556	7,373	415,292	336,700
Capital grants and contributions	1,095,519	3,278,664	13,868	208,775	1,109,387	3,487,439
General revenues:						
Property taxes	8,456,166	8,303,961	-	-	8,456,166	8,303,961
Sales taxes	4,881,894	4,762,782	-	-	4,881,894	4,762,782
Franchise charges	695,486	843,204	-	-	695,486	843,204
Shared grants and revenues	818,670	914,986	-	-	818,670	914,986
Other	71,531	638,645	51,288	(29,361)	122,819	609,284
Total revenues	17,255,262	20,043,369	9,654,235	9,140,371	26,909,497	29,183,740
Expenses:						
General government	1,572,501	1,367,648	-	-	1,572,501	1,367,648
Public safety	9,939,218	9,331,276	-	-	9,939,218	9,331,276
Public works	4,894,300	4,724,360	-	-	4,894,300	4,724,360
Culture and recreation	2,130,256	2,192,622	-	-	2,130,256	2,192,622
Economic development	372,751	372,428	-	-	372,751	372,428
Interest on long-term debt	572,359	647,588	-	-	572,359	647,588
Water and sewer	-	-	6,293,778	6,211,887	6,293,778	6,211,887
Garbage	-	-	1,742,275	1,741,739	1,742,275	1,741,739
Total expenses	19,481,385	18,635,922	8,036,053	7,953,626	27,517,438	26,589,548
Change in net position before transfers	(2,226,123)	1,407,447	1,618,182	1,186,745	(607,941)	2,594,192
Transfers	-	1,004,065	-	(1,004,065)	-	-
Change in net position	(2,226,123)	2,411,512	1,618,182	182,680	(607,941)	2,594,192
Net Position as originally reported	43,020,471	54,096,208	17,606,566	20,311,548	60,627,037	74,407,756
Prior period adjustment	-	(13,487,249)	-	(2,887,662)	-	(16,374,911)
Net position -beginning balance as restated	-	40,608,959	-	17,423,886	60,627,037	58,032,845
Total net position	\$ 40,794,348	\$ 43,020,471	\$ 19,224,748	\$ 17,606,566	\$ 60,019,096	\$ 60,627,037



City of Clinton, Mississippi Management's Discussion and Analysis September 30, 2016

At September 30, 2016, 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 2016 by \$1.0 million. This increase resulted primarily from the issuance of General Obligation Bonds of \$1.8 million for the construction of a Fire Station in the northern part of the City. The increase in the unrestricted net position for business-type activities in 2016 is a result of the increase in fixed assets for water and sewer improvements completed during the year and the City's continued efforts to build reserves for necessary future capital improvements to the water and sewer systems. The City's total net position decreased \$608 thousand during the current fiscal year primarily as a result of the issuance of General Obligation Bonds offset by the increase in fixed assets for water and sewer improvements completed during the current year.

Governmental activities. Governmental activities decreased the City's net position by \$2.2 million during the year. The decrease in capital grants and contributions was primarily due to the completion of the Hampstead Boulevard and Pine Haven Drive street projects that was funded by grants from the Mississippi Department of Transportation. The decrease in franchise charges was due to reductions in payments as a result of a reduction in customers using the services of the franchisor. The increase in public safety expenses was primarily due to salary costs of hiring new police officers and fire fighters. The increase in public works expenses was due to costs related to the resurfacing and restriping of various streets located in the City.

Business-type activities. Business-type activities increased the City's net position by \$1.6 million during the year. Total capital assets increased in 2016 primarily due to the addition of water and sewer improvements. Total long term liabilities increased due to the execution of two notes payable to finance the water and sewer improvements made during the current year. Water and Sewer expenses increased in 2016 primarily due to higher than expected revenues in the water and sewer department. Garbage expenditures remained level in 2016 as a result of no major changes in the customer base.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

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	\$ 2,939,020	\$ 169,075	\$ 3,108,095
Fire Station #4 Construction Fund	(8,749)	1,727,124	1,718,375
Special revenue funds	24,980	8,750	33,730
Debt service funds	1,287,157	102,235	1,389,392
Capital project funds	828,858	477,787	1,306,645
Total governmental funds	\$ 5,071,266	\$ 2,484,971	\$ 7,556,237

	Beginning Net Position	Increase (Decrease)	Ending Net Position
Water and sewer operations fund	\$ 17,174,920	\$ 1,555,233	\$ 18,730,153
Garbage collection fund	492,857	42,744	535,601
Self-funded group insurance fund	(395,262)	115,115	(280,147)
Total proprietary funds	\$ 17,272,515	\$ 1,713,092	\$ 18,985,607

The increase in the general fund is considered immaterial and is the result of revenues being higher than expenses.

The increase in the Fire Station # 4 Construction Fund is primarily due to receipt of bond proceeds in the current year for the construction of a fire station in the northern part of the City.

The increase in the special revenue funds is primarily due to the increase in the City's motel and hotel tax resulting from increased occupancy.

The increase in the debt service funds is primarily due to ad valorem taxes collected in excess of those needed for repayment of debt.

The increase in the capital projects funds resulted from costs for the Pinehaven Drive construction project and the Arrow Drive construction project incurred in the prior year and federal reimbursement of costs received in the current fiscal year.



City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

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 increase in the garbage collection fund balance is primarily due to operating revenues increasing more rapidly than operating costs. 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. This fund started the year with a negative net position because the cost of claims in prior years was higher than expected, however claims in 2016 were less 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 \$1.3 million. This increase resulted primarily from a \$1.0 million increase to the beginning fund balance, a \$15 thousand increase for license and permit fees, a \$99 thousand increase to general sales tax received, and a \$188 thousand increase in federal grants received. Final budgeted expenditures were \$464 thousand greater than those originally budgeted. Key elements of this increase were as follows:

- \$18,000 decrease in personal services as a result of savings from vacant positions
- \$38,000 increase in operating supplies as the result of increases in other repairs and maintenance supplies for various repairs to City buildings.
- \$66,000 increase in other services and charges as the result of increases in legal fees for the Community Development Department and increases for liability insurance premiums in the Police Department.
- \$328,000 increase in capital outlay due to increases for street resurfacing in the Streets Department and the purchase of lawn mowing equipment in the Parks and Recreation Department.
- \$50,000 increase in transfers and other charges due to under budgeting this category.

Actual funds available were \$370 thousand more than final budgeted. The majority of this difference consisted of a \$266 thousand increase in state grants received and a \$130 thousand increase in sales tax receipts.

Actual expenditures were \$593 thousand less than those finally budgeted. The majority of this decrease consisted of \$337 thousand in police, fire, parks and recreation, and streets salaries and a \$256 thousand decrease in police and streets capital outlay and administration, fire and streets other services and charges.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

For additional information, see Required Supplementary Information beginning on page 63.

CAPITAL ASSETS

Governmental activities. The City's investment in net capital assets for its governmental activities amounted to \$69.7 million at September 30, 2016. This investment includes land, buildings, other improvements, equipment and vehicles, infrastructure and construction in progress. Additions during the current year totaled \$1.8 million. Significant increases were:

- \$652 thousand – for road improvement work on Highway 80, Clinton Parkway, Magnolia Road, Pinehaven Drive and Hampstead Boulevard.
- \$398 thousand – for street resurfacing and restriping
- \$260 thousand – for purchase of police vehicles
- \$176 thousand – for road, landscaping and mowing equipment for the Public Works Department and the Parks and Recreation Department
- \$140 thousand – for a walking track and fencing at Northside Park, wayfinding signs, and repairs to the Quisenberry Library and the Visitors Center buildings
- \$ 87 thousand – for streets and drainage improvements in Windsor Planation Subdivision
- \$ 78 thousand – for construction of a fire station and train station
- \$ 9 thousand – for various other capital assets

Depreciation expense amounted to \$4.8 million for 2016 and \$4.8 million for 2015. Accumulated depreciation at September 30, 2016 and 2015 was \$ 62.1 million and \$57.6 million, respectively.

Business-type activities. At September 30, 2016, the City's business-type net capital assets amounted to \$31.5 million. This asset grouping includes land, buildings, water and sewer systems, equipment and vehicles and construction in progress. Additions of \$2.8 million were made during 2016 mainly for water and sewer improvements and the purchase of new vehicles. Depreciation expense amounted to \$1.5 million for 2016 and \$1.5 million for 2015. Accumulated depreciation at September 30, 2016 and 2015 was \$28.2 million and \$26.7million, respectively.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

City of Clinton
Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 8,052,648	\$ 8,048,175	\$ 168,012	\$ 168,012	\$ 8,220,660	\$ 8,216,187
Buildings	14,846,292	15,565,803	141,192	152,106	14,987,484	15,717,909
Other improvements	3,094,922	3,418,969	-	-	3,094,922	3,418,969
Water and sewer systems and improvements	-	-	29,882,155	26,498,677	29,882,155	26,498,677
Certificate of authority	-	-	800,000	800,000	800,000	800,000
Equipment and vehicles	1,643,109	1,572,865	499,230	430,337	2,142,339	2,003,202
Infrastructure	41,921,860	44,190,637	-	-	41,921,860	44,190,637
Construction in progress	174,675	9,747	108,226	2,200,615	282,901	2,210,362
Total net position	\$ 69,733,506	\$ 72,806,196	\$ 31,598,815	\$ 30,249,747	\$ 101,332,321	\$ 103,055,943

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

DEBT ADMINISTRATION

Governmental activities. At the end of the current fiscal year, long-term debt associated with the City's governmental activities totaled \$19.9 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 increased by \$351 thousand. This increase was due primarily to scheduled debt payments made during the year offset by the issuance of \$1.8 million in General Obligation bonds, the issuance of \$5.2 million in General Obligation refunding bonds and a \$156 thousand capital lease obligation. Payments of principal and interest due within one year total \$2.3 million.

Business-type activities. Long-term debt associated with the City's business-type activities totaled \$15.3 million at September 30, 2016. 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, 2016, debt associated with the City's business-type activities increased by \$2.1 million. This increase was due primarily to the scheduled debt payments made during the year offset by two new notes payable for water and sewer improvements completed during the current year. Payments of principal and interest due within one year total \$5.5 million.

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

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2016

	City of Clinton General Obligation and Revenue Bonds and Other Loans					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 18,113,511	\$ 17,570,764	\$ 781,489	\$ 864,235	\$ 18,895,000	\$ 18,434,999
Tax increment limited obligation bonds	583,000	767,000	-	-	583,000	767,000
Notes payable	210,000	280,000	14,560,247	12,399,558	14,770,247	12,679,558
Capital lease obligations	676,175	749,363	-	-	676,175	749,363
Unamortized bond premium	370,310	235,344	-	-	370,310	235,344
Total net position	\$ 19,952,996	\$ 19,602,471	\$ 15,341,736	\$ 13,263,793	\$ 35,294,732	\$ 32,866,264

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 2017.

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, 2016</i>	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,876,761	\$ 4,210,554	\$ 12,087,315
Receivables, net	8,992,150	1,434,101	10,426,251
Due from other governments	11,423	-	11,423
Internal balances	(961,456)	961,456	-
Restricted cash and cash equivalents	-	635,238	635,238
Capital assets:			
Capital assets not being depreciated	8,227,323	1,076,238	9,303,561
Other capital assets, net of depreciation	61,506,183	30,522,577	92,028,760
Total Assets	85,652,384	38,840,164	124,492,548
Deferred Outflows of Resources			
Related to pensions	3,528,976	580,583	4,109,559
Deferred charge on debt refunding	391,474	-	391,474
Total Deferred Outflows	3,920,450	580,583	4,501,033
Liabilities			
Accounts payable	1,077,307	181,981	1,259,288
Accrued interest payable	149,047	23,217	172,264
Claims liability	257,809	-	257,809
Unearned revenue	39,068	-	39,068
Customer deposits	-	627,925	627,925
Long-term debt:			
Due within one year	1,591,633	5,204,848	6,796,481
Due in more than one year	18,361,363	10,136,888	28,498,251
Compensated absences payable:			
Due within one year	522,196	92,820	615,016
Due in more than one year	534,846	112,348	647,194
Net pension obligation	19,188,768	3,734,669	22,923,437
Total Liabilities	41,722,037	20,114,696	61,836,733
Deferred Inflows of Resources			
Related to pensions	157,550	40,297	197,847
Property taxes levied for subsequent year	6,939,905	-	6,939,905
Total Deferred Inflows	7,097,455	40,297	7,137,752
Net Position			
Net investment in capital assets	50,171,984	16,257,079	66,429,063
Restricted for:			
Capital projects	3,025,020	7,313	3,032,333
Debt service	1,367,564	-	1,367,564
Law enforcement (restricted by enabling legislation)	84,786	-	84,786
Economic development and tourism (restricted by enabling legislation)	46,452	-	46,452
Unrestricted net position	(13,901,458)	2,960,356	(10,941,102)
Total Net Position	\$ 40,794,348	\$ 19,224,748	\$ 60,019,096

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Activities

September 30, 2016

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	\$ 1,572,501	\$ 38,262	\$ -	\$ 150,000	\$ (1,384,239)	\$ -	\$ (1,384,239)
Public safety	9,939,218	654,466	412,736	-	(8,872,016)	-	(8,872,016)
Public works	4,894,300	-	-	868,423	(4,025,877)	-	(4,025,877)
Culture and recreation	2,130,256	130,532	-	77,096	(1,922,628)	-	(1,922,628)
Economic development	372,751	-	-	-	(372,751)	-	(372,751)
Interest and fiscal charges on long-term debt	572,359	-	-	-	(572,359)	-	(572,359)
Total governmental activities	19,481,385	823,260	412,736	1,095,519	(17,149,870)	-	(17,149,870)
Business-Type Activities:							
Water	2,717,174	4,299,544	-	5,940	-	1,588,310	1,588,310
Sewer	3,576,604	3,574,541	-	7,928	-	5,865	5,865
Garbage collection	1,742,275	1,712,438	2,556	-	-	(27,281)	(27,281)
Total business-type activities	8,036,053	9,586,523	2,556	13,868	-	1,566,894	1,566,894
Total	\$ 27,517,438	\$ 10,409,783	\$ 415,292	\$ 1,109,387	(17,149,870)	1,566,894	(15,582,976)
General Revenues:							
Taxes:							
Property taxes					8,456,166	-	8,456,166
Local sales tax					172,573	-	172,573
Franchise fees based upon gross receipts					695,486	-	695,486
Grants and contributions not restricted to specific programs:							
State grants and shared revenues					5,436,047	-	5,436,047
County shared revenues					91,944	-	91,944
Interest					10,968	8,937	19,905
Miscellaneous					60,563	42,351	102,914
Total General Revenues					14,923,747	51,288	14,975,035
Change in Net Position					(2,226,123)	1,618,182	(607,941)
Net Position - Beginning					43,020,471	17,606,566	60,627,037
Net Position - Ending					\$ 40,794,348	\$ 19,224,748	\$ 60,019,096

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2016

	General Fund	Fire Station #4 Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,616,139	\$ 1,718,375	\$ 2,195,522	\$ 7,530,036
Receivables, net:				
Property taxes	6,002,784	-	1,092,222	7,095,006
Sales and tourism tax	744,313	-	30,258	774,571
City utilities tax	5,335	-	-	5,335
Franchise charges	184,587	-	-	184,587
Federal assistance	110,219	-	495,814	606,033
Special assessments	-	-	324,450	324,450
State assistance	2,168	-	-	2,168
Due from other governments	11,423	-	-	11,423
Due from other funds	162,441	-	30,201	192,642
Total Assets	\$ 10,839,409	\$ 1,718,375	\$ 4,168,467	\$ 16,726,251
Liabilities				
Accounts payable	\$ 937,169	\$ -	\$ 6,325	\$ 943,494
Due to other funds	923,076	-	-	923,076
Unearned grant revenue	-	-	39,068	39,068
Total Liabilities	1,860,245	-	45,393	1,905,638
Deferred Inflows of Resources				
Property taxes levied for subsequent year	5,871,069	-	1,068,835	6,939,904
Unavailable special assessments	-	-	324,450	324,450
Total Deferred Inflows of Resources	5,871,069	-	1,393,285	7,264,354
Fund Balances				
Restricted for:				
Law enforcement	84,786	-	-	84,786
Economic development and tourism	13,222	-	33,730	46,952
Debt service	-	-	1,367,564	1,367,564
Capital projects	-	1,718,375	1,306,645	3,025,020
Assigned to:				
Debt service	-	-	21,828	21,828
Unassigned	3,010,087	-	-	3,010,087
Total Fund Balances	3,108,095	1,718,375	2,729,767	7,556,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,839,409	\$ 1,718,375	\$ 4,168,445	\$ 16,726,229

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2016

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

Total Governmental Fund Balances	\$ 7,556,237
Differences:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	69,733,506
Long-term receivables are not available to pay current period expenditures and therefore are deferred in the funds.	328,699
Interest is not recorded as an expenditure in the funds until the payment date.	(149,047)
Long-term liabilities are not due and payable in the current period and therefore the long-term liabilities and the related deferred charge on debt refundings are not reported in the funds.	(36,435,906)
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.	(239,141)
<hr/>	
Net Position- Governmental Activities	\$ 40,794,348
<hr/>	

(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, 2016

	General Fund	Fire Station #4 Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 7,160,333	\$ -	\$ 1,295,833	\$ 8,456,166
Licenses and permits	911,333	-	-	911,333
Intergovernmental	5,969,906	-	1,259,434	7,229,340
Charges for services	151,161	-	26,049	177,210
Fines and forfeitures	430,828	-	-	430,828
Special assessments	-	-	27,037	27,037
Interest	4,577	1,153	5,238	10,968
Contributions	64,733	-	917	65,650
Miscellaneous	32,901	-	-	32,901
Total Revenues	14,725,772	1,153	2,614,508	17,341,433
Expenditures				
Current:				
General government	1,341,417	-	14,248	1,355,665
Public safety	8,268,525	-	5,590	8,274,115
Public works	1,403,410	-	-	1,403,410
Culture and recreation	1,283,922	-	122,193	1,406,115
Economic development	295,312	-	76,506	371,818
Debt service	751,614	40,200	1,675,708	2,467,522
Capital outlay	1,106,289	66,092	562,883	1,735,264
Total Expenditures	14,450,489	106,292	2,457,128	17,013,909
Excess (Deficiency) of Revenue Over Expenditures	275,283	(105,139)	157,380	327,524
Other Financing Sources (Uses)				
Proceeds from bonds issued	-	1,800,000	-	1,800,000
Proceeds from refunding bonds	-	-	5,265,000	5,265,000
Premium on bonds issued	-	32,263	171,709	203,972
Payment to refunded bond escrow agent	-	-	(5,278,096)	(5,278,096)
Capital lease	147,985	-	-	147,985
Capital asset disposals	18,586	-	-	18,586
Transfers in	-	-	403,839	403,839
Transfers out	(272,779)	-	(131,060)	(403,839)
Total Other Financing Sources	(106,208)	1,832,263	431,392	2,157,447
Net Change in Fund Balances	169,075	1,727,124	588,772	2,484,971
Fund Balances - Beginning	2,939,020	(8,749)	2,140,995	5,071,266
Fund Balances- Ending	\$ 3,108,095	\$ 1,718,375	\$ 2,729,767	\$ 7,556,237

(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, 2016

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

Net Change in Fund Balances - Total Governmental Fund Balances	\$ 2,484,971
Differences:	
Governmental funds report capital asset purchases as expenditures.	1,735,264
Governmental funds do not report the receipt of contributed capital assets.	91,714
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.	(4,849,716)
Governmental funds do not report revenue related to long-term receivables until collected because they do not provide current financial resources.	(210,965)
Governmental funds report debt issuances as other financing sources and report payments to refunded debt escrow agents as other financing uses.	(1,990,876)
Governmental funds report principal payment on debt as expenditures.	1,740,049
Governmental activities report amortization expenses 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.	(36,743)
Governmental funds report interest, compensated absences, and pension costs as expenditures when paid while governmental activities report these costs as expenses when incurred.	(1,094,911)
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.	(94,910)
Change in Net Position- Governmental Activities	\$ (2,226,123)
	(Concluded)

See accompanying notes to the basic financial statements.

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

September 30, 2016

	Enterprise Funds			Non-Major Internal Service Funds
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Funds
Assets				
Current Assets:				
Cash and cash equivalents	\$ 3,976,049	\$ 234,505	\$ 4,210,554	\$ 346,725
Receivables, net:				
Accounts	1,393,555	-	1,393,555	-
Grants and assistance	-	9,000	9,000	-
Special assessments	4,571	-	4,571	-
Due from other funds	992,376	252,800	1,245,176	-
Restricted cash and cash equivalents:				
Customer deposit accounts	627,925	-	627,925	-
Total Current Assets	6,994,476	496,305	7,490,781	346,725
Noncurrent Assets:				
Restricted cash and cash equivalents:				
Construction account	7,313	-	7,313	-
Receivable:				
Special assessments (net of current portion)	26,975	-	26,975	-
	34,288	-	34,288	-
Capital assets:				
Water and sewer systems and other improvements	55,416,432	-	55,416,432	-
Land	168,012	-	168,012	-
Buildings	263,987	-	263,987	-
Equipment and vehicles	2,362,439	711,047	3,073,486	-
Construction in progress	108,226	-	108,226	-
Certificate of authority	800,000	-	800,000	-
	59,119,096	711,047	59,830,143	-
Less accumulated depreciation	27,717,452	513,876	28,231,328	-
Capital Assets (net)	31,401,644	197,171	31,598,815	-
Total Noncurrent Assets	31,435,932	197,171	31,633,103	-
Total Assets	\$38,430,408	\$ 693,476	\$39,123,884	\$ 346,725
Deferred Outflows of Resources				
Related to pensions	580,583	-	580,583	-

(Continued)

See accompanying notes to the basic financial statements.

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

September 30, 2016

	Enterprise Funds			Non-Major Internal Service Funds
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Funds
Liabilities				
Current Liabilities:				
Accounts payable	\$ 24,106	\$ 157,875	\$ 181,981	\$ 138,063
Claims liability	-	-	-	257,809
Accrued interest payable	23,217	-	23,217	-
Due to other funds	283,720	-	283,720	231,000
Compensated absences payable - current	92,820	-	92,820	-
Notes payable - current	5,122,481	-	5,122,481	-
General obligation bonds payable - current	82,367	-	82,367	-
Current Liabilities Payable from Restricted Assets:				
Customer deposit payable	627,925	-	627,925	-
Total Current Liabilities	6,256,636	157,875	6,414,511	626,872
Noncurrent Liabilities:				
Compensated absences payable	112,348	-	112,348	-
General obligation bonds payable	699,122	-	699,122	-
Notes payable	9,437,766	-	9,437,766	-
Net pension obligation	3,734,669	-	3,734,669	-
Total Noncurrent Liabilities	13,983,905	-	13,983,905	-
Total Liabilities	20,240,541	157,875	20,398,416	626,872
Deferred inflows of Resources				
Related to pensions	40,297	-	40,297	-
Net Position				
Net investment in capital assets	16,059,908	197,171	16,257,079	-
Restricted for:				
Capital projects	7,313	-	7,313	-
Unrestricted	2,662,932	338,430	3,001,362	(280,147)
Total Net Position	\$18,730,153	\$ 535,601	\$19,265,754	\$ (280,147)
Reconciliation of Enterprise Funds Net Position to Business-Type Activities Net Position:				
Total Enterprise Fund Net Position				\$19,265,754
Difference:				
The internal service fund's net position is included in business-type activities to the extent attributable to business-type activities.				(41,006)
Net Position - Business-Type Activities				\$19,224,748
				(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, 2016

	Enterprise Funds			Non-Major Internal Service Funds
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Funds
Operating Revenues				
Charges for services:				
Water sales	\$ 3,841,248	\$ -	\$ 3,841,248	\$ -
Sewer service charges	3,548,125	-	3,548,125	-
Other services and charges	432,229	-	432,229	-
Refuse collection charges	-	1,712,438	1,712,438	-
State assistance	-	2,556	2,556	-
Rents	52,483	-	52,483	-
Premiums	-	-	-	1,416,417
Miscellaneous	-	70,787	70,787	-
Total Operating Revenues	7,874,085	1,785,781	9,659,866	1,416,417
Operating Expenses				
Salaries	1,216,844	86,433	1,303,277	-
Employee benefits	731,092	36,812	767,904	-
Insurance	44,350	2,423	46,773	308,916
Claims expense	-	-	-	921,370
Office supplies	9,825	-	9,825	-
Gas and oil	45,082	12,003	57,085	-
Other operating supplies	98,139	-	98,139	-
Outside services	820,714	1,539,303	2,360,017	71,030
Repairs and maintenance	955,588	10,637	966,225	-
Telephone	23,725	-	23,725	-
Postage and printing	32,002	-	32,002	-
Printing	691	-	691	-
Utilities	451,442	-	451,442	-
Rentals	16,991	-	16,991	-
Depreciation	1,432,416	35,725	1,468,141	-
Pro rata overhead to General Fund	144,804	-	144,804	-
Other	33,086	20,176	53,262	-
Total Operating Expenses	6,056,791	1,743,512	7,800,303	1,301,316
Operating Income	1,817,294	42,269	1,859,563	115,101
Nonoperating Revenues (Expenses)				
Interest income	8,462	475	8,937	14
Interest and fiscal charges	(284,391)	-	(284,391)	-
Total Nonoperating Revenues (Expenses)	(275,929)	475	(275,454)	14
Income Before Capital Contributions	1,541,365	42,744	1,584,109	115,115
Capital Contributions	13,868	-	13,868	-
Change in Net Position	1,555,233	42,744	1,597,977	115,115
Net Position (Deficit)- Beginning	17,174,920	492,857	17,667,777	(395,262)
Net Position (Deficit) - Ending	\$18,730,153	\$ 535,601	\$19,265,754	\$ (280,147)

(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, 2016

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

Change in Net Position - Enterprise Funds \$ 1,597,977

Differences:

The internal service fund's change in net position is included
in business-type activities to the extent attributable to
business-type activities. 20,205

Change in Net Position - Business-Type Activities \$ 1,618,182

(Concluded)

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2016

	Enterprise Funds			Non-Major Internal Service Funds
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 7,791,891	\$ 1,768,109	\$ 9,560,000	\$ 211,145
Receipts from interfund services	-	-	-	1,183,562
Receipts from reinsurance	-	-	-	47,277
Payments to suppliers	(3,175,112)	(1,583,581)	(4,758,693)	(1,075,427)
Payments to employees	(1,498,697)	(110,519)	(1,609,216)	-
Payments for interfund services	(341,004)	(9,530)	(350,534)	-
Net Cash Provided by Operating Activities	2,777,078	64,479	2,841,557	366,557
Cash Flows From Noncapital Financing Activities				
Operating grants	-	26,000	26,000	(25,567)
Repayments from other funds for advances	(896,051)	(207)	(896,258)	-
Repayments to other funds for advances	30,330	-	30,330	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(865,721)	25,793	(839,928)	(25,567)
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	(2,654,441)	(148,900)	(2,803,341)	-
Proceeds from notes payable	3,323,780	-	3,323,780	-
Principal paid on general obligation bonds	(82,746)	-	(82,746)	-
Principal paid on notes payable	(1,163,091)	-	(1,163,091)	-
Interest and fiscal charges paid on debt	(215,316)	-	(215,316)	-
Net Cash Used In Capital and Related Financing Activities	(791,814)	(148,900)	(940,714)	-
Cash Flows From Investing Activities				
Interest received	-	475	475	14
Net Cash Provided by Investing Activities	-	475	475	14
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,119,543	(58,153)	1,061,390	341,004
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,491,744	292,658	3,784,402	5,721
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,611,287	\$ 234,505	\$ 4,845,792	\$ 346,725

(Continued)

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2016

	Enterprise Funds			Non-Major Internal Service Funds
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Self-Funded Group Insurance Funds
CASH AND CASH EQUIVALENTS AT END OF YEAR:				
Cash and cash equivalents	\$ 3,976,049	\$ 234,505	\$ 4,210,554	\$ 346,725
Restricted cash and cash equivalents:				
Customer deposits cash	627,925	-	627,925	-
Construction account - noncurrent	7,313	-	7,313	-
	\$ 4,611,287	\$ 234,505	\$ 4,845,792	\$ 346,725
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	1,817,294	42,269	1,859,563	115,101
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,432,416	35,725	1,468,141	-
Operating grants	-	(26,000)	(26,000)	25,567
(Increase) decrease in:				
Accounts receivable	37,666	-	37,666	-
Claim refunds and reinsurance	-	-	-	25,567
Due from other funds	(896,051)	12,485	(883,566)	-
Special assessments	9,546	-	9,546	-
Prepaid expenses	17,588	-	17,588	-
Pension related deferred outflows	(169,328)	-	(169,328)	-
Accounts payable	620,906	-	620,906	138,063
Accrued interest	(2,748)	-	(2,748)	-
Claims liability	-	-	-	62,259
Due to other funds	15,116	-	15,116	-
Customer deposits	(68,276)	-	(68,276)	-
Compensated absences	33,242	-	33,242	-
Pension related deferred inflows	(70,293)	-	(70,293)	-
Net Cash Provided by Operating Activities	\$ 2,777,078	\$ 64,479	\$ 2,841,557	\$ 366,557
NON-CASH TRANSACTIONS				
Capital asset contributions received	\$ 13,868	\$ -	\$ 13,868	\$ -

(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Fiduciary Net Position

September 30, 2016

	Unemployment Compensation Benefit Fund
Assets	
Cash	\$ 36,443
<hr/>	
Net Position	
Held in trust for City employees' unemployment benefits	36,443
<hr/>	
Total Net Position	\$ 36,443

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2016

	Unemployment Compensation Benefit Fund
Additions	
Interest	\$ 57
Deductions	
Unemployment benefits	4,262
Change in net position	(4,205)
Net position - beginning	40,648
Net position - ending	\$ 36,443

See accompanying notes to the 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

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

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and proprietary categories. 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.

CAPITAL PROJECT FUND:
Fire Station #4 Construction Fund Accounts for the proceeds of a bond issue being used for the construction of a new fire station.

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

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

Nonmajor Funds:

SPECIAL REVENUE FUNDS:
Tourism Tax Fund Accounts for revenues from a 2% tax imposed on hotel and motel room rentals within the city limits. These funds must be used to promote tourism and economic development.

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.

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUNDS:

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

Infrastructure Bond and Interest Fund Accumulates funds for payment of a general obligation bond issue - \$4,250,000 Series 2012 bonds.

G.O. Refunding Bonds 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.

Tax Increment Financing Bond and Interest Fund – United Artists Accumulates funds for payment of a limited obligation bond issue - \$465,000 Land Improvement Series 1996 bonds.

Tax Increment Financing Bond and Interest Fund - WalMart Accumulates funds for payment of a limited obligation bond issue - \$1,200,000 Land Improvement Series 2000 bonds.

Tax Increment Financing Bond and Interest Fund - Parkway Center Accumulates funds for payment of a limited obligation bond issue - \$250,000 Land Improvement Series 2004 bonds.

Tax Increment Financing Bond and Interest Fund - Prugon Accumulates funds for payment of a limited obligation bond issue - \$485,000 Series 2007 (Springridge Crossing Project) bonds.

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.

Infrastructure Construction Fund Accounts for the proceeds of a bond issue being used for the construction of various infrastructure and building improvements.

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.
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Train Station Construction Fund	Accounts for the proceeds of a grant from Hinds County to be used for the construction of a train station.
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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.
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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.
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Measurement Focus and Basis of Accounting

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

Measurement Focus

On the government-wide Statement of Net 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Government-Wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The City uses a capitalization threshold of \$5,000.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 11), 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.

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."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 23, 2017, which is the date the financial statements were available to be issued.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015 and changes the focus of accounting of postemployment benefits other than pensions from how much it costs to adequately fund the benefits over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of benefits to date. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.
- b. GASB Statement No. 77, *Tax Abatement Disclosures*, was issued in August 2015 and requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. The requirements of this Statement will become effective for fiscal year 2017.
- c. GASB Statement No. 82, *Pensions Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, was issued in March 2016 and is effective for reporting periods beginning after June 15, 2016. This Statement requires the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Before the issuance of GASB Statement No. 82, GASB Statements No. 67 and No. 68 required presentation of covered-employee payroll, which is the payroll of all employees that are provided with pensions through the pension plan, and ratios that use that measure. This Statement also classifies payments made by an employer to satisfy plan member contribution requirements as employee contributions for purposes of GASB Statement No. 68. The requirements of this Statement will become effective for fiscal year 2017.

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

NOTE 2: 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

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

appropriations, but may not change the form of the budgets. Any changes in the budgets must be within the revenues and reserves estimated as available by the accounting department. The budgets must be adopted on or before September 15th.

Mississippi law requires that municipalities 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 revenue is accounted for under the cash basis. The required budgetary basis 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 \$116,517 as of September 30, 2016. 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.

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 3: 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 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, 2016, all of the City's bank deposits (including restricted amounts) were covered under the collateral pool administered by the State Treasurer.

NOTE 4: RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables consisted of the following:

<i>September 30, 2016</i>	Governmental Activities	Business-Type Activities	Total
Water, sewer and garbage collection charges	\$ -	\$ 1,791,555	\$ 1,791,555
Special assessments:			
Due within one year	27,037	4,571	31,608
Due in more than one year	297,413	117,073	414,486
Property taxes	7,095,006	-	7,095,006
Sales and tourism taxes	774,571	-	774,571
Franchise charges	184,587	-	184,587
Federal assistance	606,033	-	606,033
State assistance	2,168	-	2,168
Other	5,335	9,000	14,335
	8,992,150	1,922,199	10,914,349
Allowance for uncollectible amounts	-	(488,098)	(488,098)
Net receivables	\$ 8,992,150	\$ 1,434,101	\$10,426,251

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

<i>September 30, 2016</i>	Governmental Activities	Business-Type Activities	Total
Property taxes levied for use in the subsequent year	\$ 6,939,904	\$ -	\$ 6,939,904

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 5: CAPITAL ASSETS

Capital asset activity was as follows:

<i>Year ended September 30, 2016</i>	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land:				
Right-of-way	\$ 6,732,539	\$ 4,473	\$ -	\$ 6,737,012
Other land	1,315,636	-	-	1,315,636
Construction in progress	9,747	729,576	(564,648)	174,675
Total not being depreciated	8,057,922	734,049	(564,648)	8,227,323
Other capital assets:				
Buildings	21,003,902	36,731	(134,469)	20,906,164
Other improvements	10,335,221	-	-	10,335,221
Equipment and vehicles	9,166,657	492,158	(307,442)	9,351,373
Infrastructure	81,866,029	1,160,907	-	83,026,936
	122,371,809	1,689,796	(441,911)	123,619,694
Accumulated depreciation:				
Buildings	5,438,099	674,071	(52,298)	6,059,872
Other improvements	6,916,252	324,047	-	7,240,299
Equipment and vehicles	7,593,792	421,914	(307,442)	7,708,264
Infrastructure	37,675,392	3,429,684	-	41,105,076
	57,623,535	4,849,716	(359,740)	62,113,511
Net other capital assets	64,748,274	(3,159,920)	(82,171)	61,506,183
Capital assets, net	\$ 72,806,196	\$(2,425,871)	\$ (646,819)	\$ 69,733,506

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 5: CAPITAL ASSETS (Continued)

<i>Year ended September 30, 2016</i>	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 168,012	\$ -	\$ -	\$ 168,012
Construction in progress	2,200,615	2,594,408	(4,686,797)	108,226
Certificate of authority	800,000	-	-	800,000
Total not being depreciated	3,168,627	2,594,408	(4,686,797)	1,076,238
Other capital assets:				
Water and sewer systems and improvements	50,715,767	4,700,665	-	55,416,432
Buildings	263,987	-	-	263,987
Equipment and vehicles	2,864,553	208,933	-	3,073,486
	53,844,307	4,909,598	-	58,753,905
Accumulated depreciation:				
Water and sewer systems and improvements	24,217,090	1,317,187	-	25,534,277
Buildings	111,881	10,914	-	122,795
Equipment and vehicles	2,434,216	140,040	-	2,574,256
	26,763,187	1,468,141	-	28,231,328
Net other capital assets	27,081,120	3,441,457	-	30,522,577
Capital assets, net	\$ 30,249,747	\$ 6,035,865	\$ (4,686,797)	\$ 31,598,815

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 37,565
Public safety	570,127
Public works	3,513,372
Culture and recreation	727,525
Economic development	1,127
	\$ 4,849,716
Business-type activities:	
Water	\$ 527,876
Sewer	904,540
Garbage collection	35,725
	\$ 1,468,141

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 6: INTERFUND TRANSACTIONS AND BALANCES

The majority of interfund balances result from garbage collection customer billings by the Water and Sewer Operations Fund and from temporary advances for debt service, 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, 2016, was as follows:

Due to	Due From				Total
	General Fund	Water and Sewer Operations Fund	Nonmajor Internal Service Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ 719	\$ 161,700	\$ 22	\$ 162,441
Water and Sewer Operations Fund	923,076	-	69,300	-	992,376
Garbage Collection Fund	-	252,800	-	-	252,800
Nonmajor Governmental Fund	-	30,201	-	-	30,201
Total	\$ 923,076	\$ 283,720	\$ 231,000	\$ 22	\$ 1,437,818

Transfers made during the year were to fund debt service and capital projects. Interfund transfers during the year ended September 30, 2016, were as follows:

Transfer To	Transfer From		Total
	General Fund	Nonmajor Governmental Fund	
Nonmajor Governmental Funds	\$ 272,779	\$ 131,060	\$ 403,839
Total	\$ 272,779	\$ 131,060	\$ 403,839

NOTE 7: ACCOUNTS PAYABLE

Accounts payable consisted of the following:

<i>September 30, 2016</i>	Governmental Activities	Business-Type Activities	Total
Accounts payable to vendors	\$ 485,239	\$ 181,981	\$ 667,220
Cash bonds and evidence held	309,154	-	309,154
Payroll withholdings and employee benefits	282,914	-	282,914
Total	\$ 1,077,307	\$ 181,981	\$ 1,259,288

NOTE 8: 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.

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

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

September 30, 2016

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%.	\$ 5,235,000
\$8,000,000 Public Improvement — Series 2008 serial bonds due in annual installments of \$335,000 to \$585,000 through September 1, 2028; interest varies from 3.5% to 4.0%.	360,000
\$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%.	3,720,000
\$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%.	1,800,000
\$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%.	6,998,511
	18,113,511

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%.	380,000
\$250,000 Land Improvement — Series 2004 serial bonds due in annual installments of \$19,000 to \$20,000 through March 1, 2019; interest at 4.25%.	58,000
\$485,000 Land Improvement — Series 2007 serial bonds due in annual installments of \$45,000 to \$50,000 through March 15, 2019; interest at 4.8%.	145,000
	583,000

Notes Payable:

\$350,000 negotiable note Series 2014 due in annual installments of \$70,000 through June, 2019; interest at 1.46% payable annually.	210,000
	210,000

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

September 30, 2016

Capital Lease Obligations:

\$117,840 equipment lease; monthly payments of \$3,362, including interest at 1.74%; final payment due October 15, 2018.	\$ 72,742
\$437,082 equipment lease; monthly payments of \$4,402, including interest at 3.89%; final payment due September 15, 2019.	149,361
\$160,836 equipment lease; monthly payments of \$2,814, including interest at 1.93%; final payment due June 25, 2017.	25,124
\$443,110 equipment lease; monthly payments of \$4,207, including interest at 2.65%; final payment due September 15, 2017.	261,751
\$119,420 equipment lease; monthly payments of \$3,385, including interest at 1.32%; final payment due September 15, 2017.	40,333
\$8,126 equipment lease; monthly payments of \$234, including interest at 4.02%; final payment due December 15, 2018.	7,087
\$147,985 equipment lease; monthly payments of \$4,215, including interest at 1.64%; final payment due September 15, 2017.	119,777
	676,175
Unamortized bond premium	370,310
Total Governmental Activities Long-Term Debt	\$19,952,996

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

September 30, 2016

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%.	\$ 781,489
	781,489

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.	3,553,495
\$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.	526,394

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

September 30, 2016

Notes Payable (Continued):

\$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.	\$ 496,445
\$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.	131,089
\$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.	2,111,600
\$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.	1,422,739
\$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.	1,692,237
\$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.	697,518
\$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.	1,504,849
\$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.	2,423,881
	14,560,247
Total Business-Type Activities Long-Term Debt	\$15,341,736

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

Debt Services Requirements

The future of debt services requirements for all notes and bonds outstanding as of September 30, 2016, are as follows:

GOVERNMENTAL								
ACTIVITIES:	General Obligation Bonds		Notes Payable		Limited Obligation Bonds			
FISCAL YEAR(S)	Principal	Interest	Principal	Interest	Principal	Interest	Total	
2017	\$ 1,372,633	\$ 450,337	\$ 70,000	\$ 3,066	\$ 149,000	\$ 32,885	\$ 2,077,921	
2018	1,041,126	400,021	70,000	2,044	159,000	24,732	1,696,923	
2019	1,351,170	377,313	70,000	1,022	170,000	16,012	1,985,517	
2020	1,399,160	342,319	-	-	105,000	6,562	1,853,041	
2021-2025	1,491,628	305,617	-	-	-	-	1,797,245	
2026-2030	7,552,794	944,840	-	-	-	-	8,497,634	
2031-2035	3,010,000	265,139	-	-	-	-	3,275,139	
2036-2040	895,000	51,299	-	-	-	-	946,299	
	<u>\$ 18,113,511</u>	<u>\$ 3,136,885</u>	<u>\$ 210,000</u>	<u>\$ 6,132</u>	<u>\$ 583,000</u>	<u>\$ 80,191</u>	<u>\$ 22,129,719</u>	
BUSINESS-TYPE								
ACTIVITIES:	General Obligation Bonds		Notes Payable					
FISCAL YEAR(S)	Principal	Interest	Principal	Interest	Total			
2017	\$ 82,367	\$ 15,959	\$ 5,122,481	\$ 238,238	\$ 5,459,045			
2018	83,874	14,297	1,225,260	206,730	1,530,161			
2019	73,830	12,720	1,257,638	174,352	1,518,540			
2020	75,838	77,922	1,290,912	141,078	1,585,750			
2021-2025	83,371	9,631	1,325,106	106,884	1,524,992			
2026-2030	382,209	20,228	3,006,391	266,629	3,675,457			
2031-2035	-	-	1,310,647	56,911	1,367,558			
2036-2040	-	-	21,812	110	21,922			
	<u>\$ 781,489</u>	<u>\$ 150,757</u>	<u>\$14,560,247</u>	<u>\$ 1,190,932</u>	<u>\$ 16,683,425</u>			

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: 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, 2016, are as follows:

Fiscal Years	Governmental Activities
2017	\$ 262,991
2018	190,318
2019	126,256
2020	50,481
2021	50,481
2022-2026	29,447
Total minimum lease payments	709,974
Less amount representing interest	33,799
Present value of future minimum lease payments	\$ 676,175

The following is an analysis of equipment leased under capital leases as of September 30, 2016:

	Governmental Activities
Equipment cost	\$ 1,949,354
Accumulated depreciation	(1,223,014)
Carrying value	\$ 726,340

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 is being 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, 2016, \$5,235,000 of the defeased debt remained outstanding.

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

During the year ended September 30, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
General obligation bonds	\$ 17,570,764	\$ 7,065,000	\$ (6,522,253)	\$ 18,113,511	\$ 1,372,633
Notes payable	280,000	-	(70,000)	210,000	70,000
Limited obligation bonds	767,000	-	(184,000)	583,000	149,000
Capital lease obligations	749,363	156,111	(229,299)	676,175	-
Unamortized bond premium	235,344	171,709	(36,743)	370,310	-
	19,602,471	7,392,820	(7,042,295)	19,952,996	1,591,633
Compensated absences	990,558	321,868	(255,384)	1,057,042	522,196
Net pension obligation	16,483,468	2,705,300	-	19,188,768	-
	<u>\$ 37,076,497</u>	<u>\$ 10,419,988</u>	<u>\$ (7,297,679)</u>	<u>\$ 40,198,806</u>	<u>\$ 2,113,829</u>
BUSINESS-TYPE ACTIVITIES:					
General obligation bonds	\$ 864,235	\$ -	\$ (82,746)	\$ 781,489	\$ 82,367
Notes payable	12,399,558	3,323,780	(1,163,091)	14,560,247	5,122,481
	13,263,793	3,323,780	(1,245,837)	15,341,736	5,204,848
Compensated absences	171,926	98,658	(65,416)	205,168	92,820
Net pension obligation	3,275,251	459,418	-	3,734,669	-
	<u>\$ 16,710,970</u>	<u>\$ 3,881,856</u>	<u>\$ (1,311,253)</u>	<u>\$ 19,281,573</u>	<u>\$ 5,297,668</u>

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, 2016, were as follows:

Governmental activities	\$ 572,359
Business-type activities:	
Water	115,151
Sewer	169,240
	284,391
	<u>\$ 856,750</u>

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 \$4,709,321

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

for the current year and made current year principal and interest payments on the notes payable to the State totaling \$1,506,079 which was approximately 30% of the pledged revenue. As of September 30, 2016, the future principal and interest requirements for the notes payable totaled \$15,967,312, and the maturity dates of the notes payable extend through February, 2032.

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 \$158,750, and the City also received \$54,232 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 \$226,932 was approximately 107% of the pledged revenues. As of September 30, 2016, the future principal and interest requirements for the bonds totaled \$663,191, and the maturity dates extend through April, 2020.

NOTE 9: 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, 2016, was as follows:

		Governmental Activities
Property cost	\$	955,000
Accumulated depreciation		(884,500)
Carrying value	\$	70,500

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

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

Fiscal Years	Governmental Activities	Business-Type Activities
2017	\$ 10,100	\$ 96,609
2018	10,100	39,436
2019	-	17,109
2020	-	17,622
2021	-	18,151
	\$ 20,200	\$ 188,927

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 10: 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
2017	\$ 53,140	\$ 14,305
2018	51,677	14,305
2019	51,544	14,305
2020	51,544	14,305
2021	51,544	14,305
2022-2030	238,700	587,425
2031-2035	196,460	46,825
2036-2040	18,500	15,785
2041-2045	-	3,825
2046-2050	-	3,825
Total minimum lease payments	\$ 713,109	\$ 729,210

Rent expense for the year ended September 30, 2016, for all operating leases was as follows:

Governmental activities expenditures	\$ 86,109
Business-type activities expense	16,991
	\$ 103,100

NOTE 11: 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.

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

Plan contributions by City employees are optional, and are limited by the Internal Revenue Code. City employees contributed \$89,727 to the plan for the year ended September 30, 2016. The City does not make any contributions to the plan.

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, 2016, 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

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2016. The auditor's opinion on that report, which includes in an accompanying schedule of collective pension amounts as of June 30, 2016 and for the year then ended is also available. PERS also issues a publicly available financial report for the MRS, 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 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of the Cost-Sharing Plan before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less.

Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of 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 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of the Cost-Sharing Plan before July 1, 2011), with 3.0 percent 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

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

percent 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%.

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 percent 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 15.75 percent for the fiscal year 2016.

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, 2016, 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, 2016, was determined as part of the June 30, 2014, actuarial valuation using the Ultimate Asset Reserve actuarial cost method. Actual employer contributions totaled \$177,876 during 2016.

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Pension Liabilities and Pension Expense

The City reported a liability of approximately \$22,923,000 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, 2016. The net pension liability (NPL) for both plans was measured as of June 30, 2016, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2016. The NPL recorded as of September 30, 2016, and the pension expense recognized by the City for the year ended September 30, 2016, was as follows:

	Cost-Sharing Plan	CDRF	Total
Net pension liability	\$ 21,059,885	\$ 1,863,552	\$ 22,923,437
Net pension expense	\$ 2,520,453	\$ 160,837	\$ 2,681,290

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, 2016 the City's proportion was 0.117900% as compared to its proportion measured at June 30, 2015 of 0.118462%, or a decrease of 0.000562%.

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

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
<i>For the year ended September 30, 2016</i>			
Service cost	\$ 37,219	\$ -	\$ 37,219
Interest	780,243	-	780,243
Difference between expected and actual experience	(164,102)		(164,102)
Employer contributions		190,177	(190,177)
Employee contributions		16,900	(16,900)
Net investment income	-	8,619	(8,619)
Benefit payments, including refunds	(759,810)	(759,810)	-
Administrative expense and other changes	-	20,942	(20,942)
Net change	(106,450)	(523,172)	416,722
Net pension liability, beginning of year	10,447,562	9,000,732	1,446,830
Net pension liability, end of year	\$ 10,341,112	\$ 8,477,560	\$ 1,863,552

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

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

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	\$ 27,003,493	\$ 21,059,885	\$ 16,128,615
CDRF Plan net pension liability	\$ 2,865,894	\$ 1,863,552	\$ 1,011,430

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</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
<i>September 30, 2016</i>			
Differences between expected and actual experience	\$ 587,417	\$ -	\$ -
Changes of assumptions	992,808	55,963	-
Net difference between projected and actual earnings on investments	1,426,703	-	797,407
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	141,884	-
Employer contributions subsequent to the measurement date	305,224	-	-
Total	\$ 3,312,152	\$ 197,847	\$ 797,407

Deferred outflows of resources related to the Cost-Sharing Plan resulting from City contributions subsequent to June 30, 2016 (the measurement date) were \$305,224 and will be recognized as a reduction of the net pension liability in the year ending September 30, 2017. 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</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
2017	\$ 1,047,070	\$ (87,542)	\$ 199,352
2018	793,940	(74,523)	199,352
2019	749,875	(28,064)	199,352
2020	416,043	(7,719)	199,351
Total	\$ 3,006,928	\$ (197,848)	\$ 797,407

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

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 percent of a year's excess or shortfall of expected return recognized each year for five years. 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%	3.50%
Investment rate of return (net of plan investment expenses)	7.75%	8.00%
Projected salary increases, including inflation	3.75% - 19.00%	4.5% - 6.00%

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, 2010 to June 30, 2014. The experience report was dated May 4, 2015.

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 2016 and set forward one year for males.

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
U.S. Broad	34.00%	5.20%
International equity	19.00%	5.00%
Emerging markets equity	8.00%	5.45%
Fixed income	20.00%	0.25%
Real assets	10.00%	4.00%
Private equity	8.00%	6.15%
Cash	1.00%	-0.50%
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

NOTE 11: PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

employer contributions will be made at the current employer contribution rate (15.75%). The assumed investment rate of return for the CDRF plan, net of pension plan investment expense, and including inflation, was 8%. Based on those assumptions, components 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 12: COMMITMENTS

The City has entered into long-term contracts for residential solid waste collection and for the operation, management and maintenance of the City's wastewater treatment facilities. The solid waste collection contract is effective through December 2016, and provides for a monthly charge to the City of \$13.17 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, 2017, and provides for a monthly charge to the City of \$47,990 (subject to annual adjustment based on the Consumer Price Index) plus repair costs incurred by the contractor.

NOTE 13: CONTINGENT LIABILITIES

The City is a defendant in 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 14: RISK MANAGEMENT

The City is exposed to various risks of loss for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the prior year, and settlements in excess of coverage for the three previous years were not material. As discussed in Note 2, the City's Self-Funded Group Insurance Fund had a deficit in fund equity at September 30, 2016.

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

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 14: RISK MANAGEMENT (Continued)

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, 2016) is approximately \$1,250,000, while the previous policy year had an aggregate stop-loss coverage attachment point of approximately \$1,387,000. 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 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 Ending September 30,</i>	2016	2015
Claims liability, beginning of year	\$ 195,550	\$ 193,067
Current year claims	874,093	1,060,016
Claims paid in current year	(811,834)	(1,057,533)
Claims liability, end of year	\$ 257,809	\$ 195,550

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>	2016	2015
Last Ten Fiscal Years: *		
City's proportion of the net pension liability	\$ 21,059,885	\$ 18,311,889
City's proportionate share of the net pension liability	0.1179%	0.1185%
City's covered-employee payroll	\$ 7,596,635	\$ 7,434,679
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.23%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30, of the year prior to 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, 2016

<i>Years Ended September 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	1,196,470	\$1,170,962	\$1,154,387	\$1,056,164	\$928,832	\$868,269	\$821,056	\$830,745	\$788,685	\$770,913
Contributions in relation to the contractually required contribution	1,196,470	1,170,962	1,154,287	1,056,164	928,832	868,269	821,056	830,745	788,685	770,913
Contribution deficiency (excess)	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$7,596,635	\$7,434,679	\$7,329,441	\$7,406,479	\$7,183,542	\$7,235,575	\$6,842,133	\$7,010,506	\$6,655,696	\$6,505,594
Contributions as a percentage of the covered-employee payroll	15.75%	15.75%	15.75%	14.26%	12.93%	12.00%	12.00%	11.85%	11.85%	11.85%

City of Clinton, Mississippi

Notes to Schedule of Required Supplementary Information

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, 2016. 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, 2016.

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

The employer contribution rate for the City was 9.75 percent in fiscal year 2005 with an increase in fiscal year 2006 to 10.75 percent. Beginning in fiscal year 2007, the employer contribution rate increased from 10.75 percent in .55 percent 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 percent to 12.0 percent. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.0 percent to a projected 13.56 percent for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.0 percent 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 percent to 12.93 percent, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26 percent 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 percent. The employer contribution rate has remained at 15.75 percent through the fiscal year ending June 30, 2016.

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 Position Liability - CDRF Plan

<i>Year ending June 30,</i>	2016	2015
Total Pension Liability		
Service cost	\$ 37,219	\$ 45,786
Interest	780,243	788,386
Differences between expected and actual experience	(164,102)	(99,775)
Changes of assumptions	-	229,454
Benefit payments, including refunds of employee contributions	(759,810)	(742,236)
Net change in total pension liability	(106,450)	221,615
Total pension liability - beginning	10,447,562	10,225,947
Total pension liability - ending (a)	\$ 10,341,112	\$ 10,447,562
Plan fiduciary net position		
Contributions - employer	\$ 190,177	\$ 249,047
Contributions - member	16,900	19,764
Net investment income	8,619	277,791
Benefit payments, including refunds of employee contributions	(759,810)	(742,236)
Administrative expense and other changes	20,942	(4,981)
Net change in plan fiduciary net position	(523,172)	(200,615)
Plan net position - beginning	9,000,732	9,201,347
Plan net position - ending (b)	\$ 8,477,560	\$ 9,000,732
Net pension liability - ending (a) - (b)	\$ 1,863,552	\$ 1,446,830
Plan fiduciary net position as a percentage of the total pension liability	81.98%	86.15%
Covered-employee payroll*	N/A	N/A
Net pension liability (asset) as a percentage of covered-employee payroll*	N/A	N/A

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

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of Employer Contributions - CDRF Plan

<i>Year ending June 30,</i>	2016	2015
Actuarially determined contribution*	\$ 190,177	\$ 249,047
Contributions in relation to the actuarially determined contribution*	190,177	249,047
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll*	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

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

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, 2016 and 2015 were based on the June 30, 2014 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	3.50%
Salary increases	4.50 - 6.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

City of Clinton, Mississippi Budgetary Comparison Schedule - General Fund

Year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
AVAILABLE				
Licenses and permits	\$ 937,000	\$ 952,000	\$ 950,784	\$ (1,216)
State grants	225,000	225,000	491,893	266,893
State shared revenues	4,848,000	4,947,000	5,077,422	130,422
Local grants	70,333	70,333	95,751	25,418
Federal grants	85,000	273,000	286,926	13,926
Charges for services	57,900	60,900	127,565	66,665
Fines and forfeitures	396,000	396,000	430,828	34,828
Interest earned	-	-	4,577	4,577
Management fee	144,000	144,000	144,000	-
Miscellaneous	415,473	415,473	287,801	(127,672)
Total receipts, other than taxes	7,178,706	7,483,706	7,897,547	413,841
Beginning fund balance	744,046	1,748,023	1,748,023	-
Total available, other than taxes	7,922,752	9,231,729	9,645,570	413,841
Ad valorem taxes to be provided by levy	7,200,695	7,200,695	7,156,957	(43,738)
Total Available From All Sources	\$ 15,123,447	\$ 16,432,424	\$ 16,802,527	\$ 370,103
EXPENDITURES				
General government:				
Elected officials:				
Personal services	\$ 311,235	\$ 311,254	\$ 285,901	\$ (25,353)
Supplies	3,250	3,250	1,382	(1,868)
Other services and charges	63,998	71,734	54,702	(17,032)
Capital outlay	50,000	-	-	-
Total elected officials	428,483	386,238	341,985	(44,253)
Court services:				
Personal services	218,308	218,226	198,870	(19,356)
Supplies	3,500	3,500	3,640	140
Other services and charges	66,545	66,836	65,297	(1,539)
Total court services	288,353	288,562	267,807	(20,755)
Administration:				
Personal services	335,696	335,663	339,045	3,382
Supplies	13,400	13,400	13,425	25
Other services and charges	322,328	322,646	259,073	(63,573)
Total administration	671,424	671,709	611,543	(60,166)
Community development:				
Personal services	196,461	198,911	196,207	(2,704)
Supplies	30,900	30,675	10,534	(20,141)
Other services and charges	33,617	57,123	57,553	430
Total community development	260,978	286,709	264,294	(22,415)
Total General Government	1,649,238	1,633,218	1,485,629	(147,589)

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
EXPENDITURES (Continued)				
Public safety:				
Law enforcement:				
Personal services	3,944,474	3,929,637	3,802,684	(126,953)
Supplies	372,800	372,800	446,949	74,149
Other services and charges	351,396	364,766	399,174	34,408
Capital outlay	280,000	280,000	236,548	(43,452)
Debt service	132,893	132,893	80,965	(51,928)
Total law enforcement	5,081,563	5,080,096	4,966,320	(113,776)
Fire protection:				
Personal services	3,186,701	3,174,772	3,052,719	(122,053)
Supplies	146,100	146,100	212,201	66,101
Other services and charges	245,114	249,233	232,906	(16,327)
Debt service	137,080	137,080	137,080	-
Total fire protection	3,714,995	3,707,185	3,634,906	(72,279)
Inspection:				
Personal services	118,885	120,565	103,481	(17,084)
Supplies	11,960	11,960	8,544	(3,416)
Other services and charges	14,668	14,848	9,867	(4,981)
Total inspection	145,513	147,373	121,892	(25,481)
Total Public Safety	8,942,071	8,934,654	8,723,118	(211,536)
Street:				
Personal services	606,410	608,776	555,884	(52,892)
Supplies	209,400	209,400	191,104	(18,296)
Other services and charges	695,734	700,768	656,348	(44,420)
Capital outlay	295,000	554,000	499,059	(54,941)
Debt service	89,304	89,304	80,432	(8,872)
Total Street	1,895,848	2,162,248	1,982,827	(179,421)
Parks and recreation:				
Personal services	636,411	636,904	600,290	(36,614)
Supplies	198,000	198,000	159,550	(38,450)
Other services and charges	273,438	276,644	298,590	21,946
Capital outlay	50,473	163,185	231,394	68,209
Debt service	475,495	475,495	470,704	(4,791)
Total Parks and Recreation	1,633,817	1,750,228	1,760,528	10,300

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
EXPENDITURES (Continued)				
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	20,000	58,000	23,975	(34,025)
Other services and charges	28,087	36,023	35,799	(224)
Capital outlay	-	6,481	33,231	26,750
Total City buildings	48,087	100,504	93,005	(7,499)
Therapeutic recreation:				
Personal services	119,716	121,224	117,591	(3,633)
Supplies	10,750	10,750	6,970	(3,780)
Other services and charges	26,309	26,881	21,157	(5,724)
Total Communications	156,775	158,855	145,718	(13,137)
Communications:				
Personal services	39,121	39,062	39,012	(50)
Supplies	1,050	1,050	2,851	1,801
Other services and charges	136,085	136,162	124,102	(12,060)
Capital outlay	40,000	40,000	40,351	351
Total Communications	216,256	216,274	206,316	(9,958)
Main Street:				
Personal services	110,340	110,256	114,745	4,489
Supplies	7,450	7,450	584	(6,866)
Other services and charges	13,772	13,828	14,018	190
Capital outlay	-	-	5,855	5,855
Total Main Street	131,562	131,534	135,202	3,668
Transfers and other charges	260,816	310,816	272,567	(38,249)
Total expenditures	14,954,470	15,418,331	14,824,910	(593,421)
Ending fund balance	168,977	1,014,093	1,977,617	963,524
Total Expenditures and Ending Fund Balance	\$15,123,447	\$16,432,424	\$ 16,802,527	\$ 370,103

(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	\$16,802,527
Differences:	
GAAP basis receivables are reflected as budgetary basis available in the year received	(18,161)
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing sources are included in budgetary basis available	(166,571)
Beginning fund balance is included in budgetary basis available	(1,748,023)
<hr/>	
Revenues - Statement of Revenues, Expenditures and Changes in Fund Balances	\$14,725,772
<hr/>	
Expenditures - Budgetary Comparison Schedule	\$14,824,910
Differences:	
GAAP basis payables are reflected as budgetary basis expenditures in the year paid unless paid within 30 days after the end of the year in which they were budgeted	42,358
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing uses are included in budgetary basis available	(272,779)
<hr/>	
Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balances	\$14,450,489
<hr/>	
Other Financing Sources (Uses) - Budgetary Comparison Schedule	\$ -
Differences:	
Other financing sources are included in budgetary basis available	166,571
Other financing uses are included in budgetary basis expenditures	(272,779)
<hr/>	
Other Financing Sources (Uses) - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (106,208)
<hr/>	

OTHER SUPPLEMENTARY INFORMATION

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

September 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 44,637	\$ 1,340,054	\$ 810,831	\$ 2,195,522
Receivables:				
Property taxes	-	1,092,222	-	1,092,222
Tourism tax	30,258	-	-	30,258
Federal assistance	-	-	495,814	495,814
Special assessments	-	324,450	-	324,450
Due from other funds	-	30,201	-	30,201
Total Assets	\$ 74,895	\$ 2,786,927	\$ 1,306,645	\$ 4,168,467
Liabilities				
Accounts payable	\$ 2,075	\$ 4,250	\$ -	\$ 6,325
Due to other funds	22	-	-	22
Unearned grant revenue	39,068	-	-	39,068
Total Liabilities	41,165	4,250	-	45,415
Deferred Inflows of Resources				
Property taxes levied for subsequent year	-	1,068,835	-	1,068,835
Unavailable special assessments	-	324,450	-	324,450
Total Deferred Inflows of Resources	-	1,393,285	-	1,393,285
Fund Balances				
Restricted for:				
Economic development and tourism	33,730	-	-	33,730
Debt service	-	1,367,564	-	1,367,564
Capital projects	-	-	1,306,645	1,306,645
Assigned to:				
Debt service	-	21,828	-	21,828
Total Fund Balances	33,730	1,389,392	1,306,645	2,729,767
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 74,895	\$ 2,786,927	\$ 1,306,645	\$ 4,168,467

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

Year ended September 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 1,295,833	\$ -	\$ 1,295,833
Intergovernmental	192,092	83,755	983,587	1,259,434
Charges for services	26,049	-	-	26,049
Special assessments	-	27,037	-	27,037
Interest	79	4,174	985	5,238
Contributions	917	-	-	917
Total Revenues	219,137	1,410,799	984,572	2,614,508
Expenditures				
Current:				
General government	-	14,248	-	14,248
Public safety	5,590	-	-	5,590
Culture and recreation	122,193	-	-	122,193
Economic development	76,506	-	-	76,506
Debt service	-	1,675,708	-	1,675,708
Capital outlay	10,098	-	552,785	562,883
Total Expenditures	214,387	1,689,956	552,785	2,457,128
Excess (Deficiency) of Revenue Over Expenditures	4,750	(279,157)	431,787	157,380
Other Financing Sources (Uses)				
Proceeds of refunding bonds	-	5,265,000	-	5,265,000
Premium on bonds issued	-	171,709	-	171,709
Payment to refunded bond escrow agent	-	(5,278,096)	-	(5,278,096)
Transfers in	4,000	249,921	149,918	403,839
Transfers out	-	(27,142)	(103,918)	(131,060)
Total other financing sources	4,000	381,392	46,000	431,392
Net Change in Fund Balances	8,750	102,235	477,787	588,772
Fund Balances - Beginning	24,980	1,287,157	828,858	2,140,995
Fund Balances- Ending	\$ 33,730	\$ 1,389,392	\$ 1,306,645	\$ 2,729,767

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

September 30, 2016

	Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	\$ 5,569	\$ 39,068	\$ 44,637
Tourism tax receivable	30,258	-	30,258
Total Assets	\$ 35,827	\$ 39,068	\$ 74,895
Liabilities			
Accounts payable	\$ 2,075	\$ -	\$ 2,075
Due to other funds	22	-	22
Unearned grant revenue	-	39,068	39,068
Total Liabilities	2,097	39,068	41,165
Fund Balances			
Restricted for:			
Economic development and tourism	33,730	-	33,730
Total Fund Balances	33,730	-	33,730
Total Liabilities and Fund Balances	\$ 35,827	\$ 39,068	\$ 74,895

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

Year ended September 30, 2016

	Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental:			
Tourism tax	\$ 172,573	\$ -	\$ 172,573
Federal grants	-	5,529	5,529
State grants	13,990	-	13,990
	186,563	5,529	192,092
Charges for services	26,049	-	26,049
Interest	18	61	79
Contributions	917	-	917
Total Revenues	213,547	5,590	219,137
Expenditures			
Public Safety:			
Other services and charges	-	5,590	5,590
Culture and Recreation:			
Personal services	65,401	-	65,401
Supplies	26,656	-	26,656
Other services and charges	30,136	-	30,136
	122,193	-	122,193
Economic Development:			
Other services and charges	76,506	-	76,506
Capital outlay	10,098	-	10,098
Total Expenditures	208,797	5,590	214,387
Deficiency of Revenue Over Expenditures	4,750	-	4,750
Other Financing Sources			
Transfers in	4,000	-	4,000
Total Other Financing Sources	4,000	-	4,000
Net Change in Fund Balances	8,750	-	8,750
Fund Balances - Beginning	24,980	-	24,980
Fund Balances - Ending	\$ 33,730	\$ -	\$ 33,730

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

<i>September 30, 2016</i>	G.O. Negotiable Note Series 2014 Fund	Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Tax Increment Financing Bond and Interest Fund - United Artists	Tax Increment Financing Bond and Interest Fund - WalMart	Tax Increment Financing Bond and Interest Fund - Parkway Center	Tax Increment Financing Bond and Interest Fund - Prugon	Total Nonmajor Debt Service Funds	
Assets										
Cash and cash equivalents	\$	-	\$ 558,436	\$ 242,792	\$ 516,998	\$ 333	\$ 11,794	\$ 2,348	\$ 7,353	\$1,340,054
Property taxes receivable	-	251,376	341,627	499,219	-	-	-	-	-	1,092,222
Special assessments	-	-	324,450	-	-	-	-	-	-	324,450
Due from other funds	-	-	30,201	-	-	-	-	-	-	30,201
Total Assets	\$	-	\$ 809,812	\$ 939,070	\$ 1,016,217	\$ 333	\$ 11,794	\$ 2,348	\$ 7,353	\$2,786,927
Liabilities										
Accounts payable	\$	-	-	-	\$ 4,250	-	-	-	-	\$ 4,250
Total Liabilities	-	-	-	4,250	-	-	-	-	-	4,250
Deferred Inflows of Resources										
Property taxes levied for subsequent year	-	245,882	334,534	488,419	-	-	-	-	-	1,068,835
Unavailable special assessments	-	-	324,450	-	-	-	-	-	-	324,450
Total Deferred Inflows of Resources	-	245,882	658,984	488,419	-	-	-	-	-	1,393,285
Fund Balances										
Restricted for debt service	-	563,930	280,086	523,548	-	-	-	-	-	1,367,564
Assigned to debt service	-	-	-	-	333	11,794	2,348	7,353	-	21,828
Total Fund Balances	-	563,930	280,086	523,548	333	11,794	2,348	7,353	-	1,389,392
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	-	\$ 809,812	\$ 939,070	\$ 1,016,217	\$ 333	\$ 11,794	\$ 2,348	\$ 7,353	\$2,786,927

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

<i>Year ended September 30, 2016</i>	G.O. Negotiable Note Series 2014 Fund	Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Tax Increment Financing Bond and Interest Fund - United Artists	Tax Increment Financing Bond and Interest Fund - WalMart	Tax Increment Financing Bond and Interest Fund - Parkway Center	Tax Increment Financing Bond and Interest Fund - Prugon	Total Nonmajor Debt Service Funds
Revenues									
Property taxes	\$ -	\$ 298,080	\$ 405,626	\$ 592,127	\$ -	\$ -	\$ -	\$ -	\$ 1,295,833
Intergovernmental:									
State grants	-	6,792	9,240	13,491	-	-	-	-	29,523
County shared revenues	-	-	-	-	19,232	35,000	-	-	54,232
	-	6,792	9,240	13,491	19,232	35,000	-	-	83,755
Special assessments	-	-	27,037	-	-	-	-	-	27,037
Interest	-	830	2,179	1,128	-	18	5	14	4,174
Total Revenues	-	305,702	444,082	606,746	19,232	35,018	5	14	1,410,799
Expenditures									
General government:									
Other services and charges	-	3,306	4,403	6,539	-	-	-	-	14,248
Debt service	74,156	269,343	384,859	719,357	42,841	108,760	22,272	54,120	1,675,708
Total Expenditures	74,156	272,649	389,262	725,896	42,841	108,760	22,272	54,120	1,689,956
Excess (Deficiency) of Revenues over Expenditures	(74,156)	33,053	54,820	(119,150)	(23,609)	(73,742)	(22,267)	(54,106)	(279,157)
Other Financing Sources (Uses)									
Refunding bonds issued	-	-	-	5,265,000	-	-	-	-	5,265,000
Premium on bonds issued	-	-	-	171,709	-	-	-	-	171,709
Payments to refunded bond escrow agent	-	-	-	(5,278,096)	-	-	-	-	(5,278,096)
Transfers in	74,156	-	-	-	23,509	74,761	22,273	55,222	249,921
Transfers out	-	(7,124)	(6,763)	(13,255)	-	-	-	-	(27,142)
Total Other Financing Sources (Uses)	74,156	(7,124)	(6,763)	145,358	23,509	74,761	22,273	55,222	381,392
Net Change in Fund Balances	-	25,929	48,057	26,208	(100)	1,019	6	1,116	102,235
Fund Balances - Beginning	-	538,001	232,029	497,340	433	10,775	2,342	6,237	1,287,157
Fund Balances - Ending	\$ -	\$ 563,930	\$ 280,086	\$ 523,548	\$ 333	\$ 11,794	\$ 2,348	\$ 7,353	\$ 1,389,392

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

September 30, 2016

	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Infrastructure Construction Fund	Hampstead Boulevard Construction Project Fund	Train Station Construction Project Fund	Total Nonmajor Capital Projects Funds
Assets						
Cash and cash equivalents	\$ 353,941	\$ 14,408	\$ 13	\$ 80,538	\$ 361,931	\$ 810,831
Federal assistance	69,261	-	-	426,553	-	495,814
Total Assets	\$ 423,202	\$ 14,408	\$ 13	\$ 507,091	\$ 361,931	\$ 1,306,645
Fund Balances						
Restricted for capital projects	\$ 423,202	\$ 14,408	\$ 13	\$ 507,091	\$ 361,931	\$ 1,306,645
Total Fund Balances	423,202	14,408	13	507,091	361,931	1,306,645
Total Liabilities and Fund Balances	\$ 423,202	\$ 14,408	\$ 13	\$ 507,091	\$ 361,931	\$ 1,306,645

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

Year ended September 30, 2016

	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Infrastructure Construction Fund	Hampstead Boulevard Construction Project Fund	Train Station Construction Fund	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental:						
State grants	\$ -	\$ 15,672	\$ -	\$ 742,915	\$ 225,000	\$ 983,587
	-	15,672	-	742,915	225,000	983,587
Interest	511	12	103	117	242	985
Total Revenues	511	15,684	103	743,032	225,242	984,572
Expenditures						
Capital outlay	3,443	112	-	537,001	12,229	552,785
Total Expenditures	3,443	112	-	537,001	12,229	552,785
Excess (Deficiency) of Revenues over Expenditures	(2,932)	15,572	103	206,031	213,013	431,787
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	149,918	149,918
Transfers out	(4,000)	-	(99,918)	-	-	(103,918)
Total Other Financing Sources (Uses)	(4,000)	-	(99,918)	-	149,918	46,000
Net Change in Fund Balances	(6,932)	15,572	(99,815)	206,031	362,931	477,787
Fund Balances (Deficit) - Beginning	430,134	(1,164)	99,828	301,060	(1,000)	828,858
Fund Balances - Ending	\$ 423,202	\$ 14,408	\$ 13	\$ 507,091	\$ 361,931	\$ 1,306,645

City of Clinton, Mississippi
Tourism Tax Fund
Budgetary Comparison Schedule

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Tourism taxes	\$ 170,000	\$ 170,000	\$ 166,552	\$ (3,448)
Interest earned	-	-	(18)	(18)
Rental income	100	100	345	245
Donations - private sources	-	-	417	417
Other revenue	-	16,000	14,544	(1,456)
Sales	20,630	24,630	23,877	(753)
Total receipts, other than taxes	190,730	210,730	205,717	(5,013)
Beginning fund balance	53,285	743	743	-
Total Available From All Sources	\$ 244,015	\$ 211,473	\$ 206,460	\$ (5,013)
<u>EXPENDITURES</u>				
Visitor center:				
Personal services	\$ 65,742	\$ 65,704	\$ 65,401	\$ (303)
Supplies:				
Costs of sales	12,630	12,630	11,005	(1,625)
Other	13,500	13,500	11,454	(2,046)
Other services and charges	38,955	38,955	29,024	(9,931)
Capital outlay	10,000	-	10,098	10,098
Total visitor center	140,827	130,789	126,982	(3,807)
Tourism promotion:				
Other services and charges	80,500	80,500	76,506	(3,994)
Total expenditures	221,327	211,289	203,488	(7,801)
Ending fund balance	22,688	184	2,972	2,788
Total Expenditures and Ending Fund Balance	\$ 244,015	\$ 211,473	\$ 206,460	\$ (5,013)

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts		Variance with Final Budget- Over (Under)
	Original	Final	Budgetary Basis	Final Budget- Over (Under)	
AVAILABLE					
Asset forfeitures:					
U.S. Justice Department	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)	
Local	5,000	5,000	1,959	(3,041)	
Interest earned	-	-	61	61	
Total receipts	10,000	10,000	2,020	(7,980)	
Beginning fund balance	41,098	42,638	42,638	-	
Total Available From All Sources	\$ 51,098	\$ 52,638	\$ 44,658	\$ (7,980)	
EXPENDITURES					
Supplies	\$ -	\$ -	\$ 5,590	\$ 5,590	
Total expenditures	-	-	5,590	5,590	
Ending fund balance	51,098	52,638	39,068	(13,570)	
Total Expenditures and Ending Fund Balance	\$ 51,098	\$ 52,638	\$ 44,658	\$ (13,570)	

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget- Basis Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 74,088	\$ 74,088	\$ 74,156	\$ 68
Total receipts	74,088	74,088	74,156	68
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ 74,088	\$ 74,088	\$ 74,156	\$ 68
<u>EXPENDITURES</u>				
Debt service	\$ 74,088	\$ 74,088	\$ 74,156	\$ 68
Total expenditures	74,088	74,088	74,156	68
Ending fund balance	-	-	-	-
Total Expenditures and Ending Fund Balance	\$ 74,088	\$ 74,088	\$ 74,156	\$ 68

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>		<u>Variance with</u> <u>Budgetary Final Budget-</u> <u>Basis Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget-</u>	
<u>AVAILABLE</u>					
Homestead exemption reimbursement	\$ -	\$ -	\$ 6,792	\$ 6,792	
Interest earned	-	-	830	830	
Total receipts other than taxes	-	-	7,622	7,622	
Beginning fund balance	516,883	532,367	532,367	-	
Total available, other than taxes	516,883	532,367	539,989	7,622	
Ad valorem taxes to be provided by levy	291,571	291,571	298,220	6,649	
Total Available From All Sources	\$ 808,454	\$ 823,938	\$ 838,209	\$ 14,271	
<u>EXPENDITURES</u>					
Other services and charges	\$ 3,422	\$ 3,422	\$ 3,306	\$ (116)	
Debt service	271,563	271,563	269,343	(2,220)	
Transfers to other funds	7,124	7,124	7,124	-	
Total expenditures	282,109	282,109	279,773	(2,336)	
Ending fund balance	526,345	541,829	558,436	16,607	
Total Expenditures and Ending Fund Balance	\$ 808,454	\$ 823,938	\$ 838,209	\$ 14,271	

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Basis</u>	
AVAILABLE					
Homestead exemption reimbursement	\$ -	\$ -	\$ 9,240	\$ 9,240	
Interest earned	-	-	286	286	
Special assessments	28,930	28,930	28,930	-	
Total receipts other than taxes	28,930	28,930	38,456	9,526	
Beginning fund balance	211,575	226,686	226,686	-	
Total available, other than taxes	240,505	255,616	265,142	9,526	
Ad valorem taxes to be provided by levy	396,696	396,696	403,876	7,180	
Total Available From All Sources	\$ 637,201	\$ 652,312	\$ 669,018	\$ 16,706	
EXPENDITURES					
Other services and charges	\$ 4,655	\$ 4,655	\$ 4,403	\$ (252)	
Debt service	429,674	429,674	406,668	(23,006)	
Transfers to other funds	6,763	6,763	6,763	-	
Total expenditures	441,092	441,092	417,834	(23,258)	
Ending fund balance	196,109	211,220	251,184	39,964	
Total Expenditures and Ending Fund Balance	\$ 637,201	\$ 652,312	\$ 669,018	\$ 16,706	

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

Year ended September 30, 2016

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Basis Over (Under)
	Original	Final	Budgetary	Final	
AVAILABLE					
Homestead exemption reimbursement	\$ -	\$ -	\$ 13,491	\$ 13,491	
Interest earned	-	-	5,378	5,378	
Total receipts other than taxes	-	-	18,869	18,869	
Beginning fund balance	458,449	486,855	486,855	-	
Total available, other than taxes	458,449	486,855	505,724	18,869	
Ad valorem taxes to be provided by levy	579,176	579,176	591,812	12,636	
Total Available From All Sources	\$1,037,625	\$ 1,066,031	\$1,097,536	\$ 31,505	
EXPENDITURES					
Other services and charges	\$ 6,796	\$ 6,796	\$ 6,539	\$ (257)	
Debt service	582,884	582,884	560,744	(22,140)	
Transfers to other funds	13,255	13,255	13,255	-	
Total expenditures	602,935	602,935	580,538	(22,397)	
Ending fund balance	434,690	463,096	516,998	53,902	
Total Expenditures and Ending Fund Balance	\$1,037,625	\$ 1,066,031	\$1,097,536	\$ 31,505	

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Transfers from other funds	\$ 23,509	\$ 23,509	\$ 23,509	\$ -
Receipt from Hinds County	19,272	19,272	19,232	(40)
Total receipts	42,781	42,781	42,741	(40)
Beginning fund balance	224	433	433	-
Total Available From All Sources	\$ 43,005	\$ 43,214	\$ 43,174	\$ (40)
EXPENDITURES				
Debt service	\$ 42,780	\$ 42,780	\$ 42,841	\$ 61
Total expenditures	42,780	42,780	42,841	61
Ending fund balance	225	434	333	(101)
Total Expenditures and Ending Fund Balance	\$ 43,005	\$ 43,214	\$ 43,174	\$ (40)

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Transfers from other funds	\$ 74,761	\$ 74,761	\$ 74,761	\$ -
Receipt from Hinds County	35,000	35,000	35,000	-
Interest earned	-	-	18	18
Total receipts	109,761	109,761	109,779	18
Beginning fund balance	9,757	10,775	10,775	-
Total Available From All Sources	\$ 119,518	\$ 120,536	\$ 120,554	\$ 18
EXPENDITURES				
Debt service	\$ 109,760	\$ 109,760	\$ 108,760	\$ (1,000)
Total expenditures	109,760	109,760	108,760	(1,000)
Ending fund balance	9,758	10,776	11,794	1,018
Total Expenditures and Ending Fund Balance	\$ 119,518	\$ 120,536	\$ 120,554	\$ 18

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary	Final Budget-	Basis Over (Under)
AVAILABLE					
Transfers from other funds	\$ 22,273	\$ 22,273	\$ 22,273	\$	-
Interest earned	-	-	5	\$	5
Total receipts	22,273	22,273	22,278		5
Beginning fund balance	2,388	2,342	2,342		-
Total Available From All Sources	\$ 24,661	\$ 24,615	\$ 24,620	\$	5
EXPENDITURES					
Debt service	\$ 22,273	\$ 22,273	\$ 22,272	\$	(1)
Total expenditures	22,273	22,273	22,272		(1)
Ending fund balance	2,388	2,342	2,348		6
Total Expenditures and Ending Fund Balance	\$ 24,661	\$ 24,615	\$ 24,620	\$	5

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Transfers from other funds	\$ 55,222	\$ 55,222	\$ 55,222	\$ -
Interest earned	-	-	14	14
Total receipts	55,222	55,222	55,236	14
Beginning fund balance	7,225	6,237	6,237	-
Total Available From All Sources	\$ 62,447	\$ 61,459	\$ 61,473	\$ 14
EXPENDITURES				
Debt service	\$ 55,220	\$ 55,220	\$ 54,120	\$ (1,100)
Total expenditures	55,220	55,220	54,120	(1,100)
Ending fund balance	7,227	6,239	7,353	1,114
Total Expenditures and Ending Fund Balance	\$ 62,447	\$ 61,459	\$ 61,473	\$ 14

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
AVAILABLE				
Grant income - State of Mississippi	\$ -	\$ -	\$ 763,273	\$ 763,273
Interest earned	-	-	117	117
Total receipts	-	-	763,390	763,390
Beginning fund balance	(1,808)	(142,821)	(142,821)	-
Total Available From All Sources	\$ (1,808)	\$ (142,821)	\$ 620,569	\$ 763,390
EXPENDITURES				
Capital outlay	\$ (1,808)	\$ (1,808)	\$ 540,031	\$ 541,839
Total expenditures	(1,808)	(1,808)	540,031	541,839
Ending fund balance	-	(141,013)	80,538	221,551
Total Expenditures and Ending Fund Balance	\$ (1,808)	\$ (142,821)	\$ 620,569	\$ 763,390

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary	Final Budget-	Basis Over (Under)
AVAILABLE					
Grant income - State of Mississippi	\$ -	\$ -	\$ 81,390	\$	81,390
Interest earned	-	-	12	\$	12
Total receipts	-	-	81,402		81,402
Beginning fund balance	51,391	(66,882)	(66,882)		-
Total Available From All Sources	\$ 51,391	\$ (66,882)	\$ 14,520	\$	81,402
EXPENDITURES					
Capital outlay	\$ 51,391	\$ 51,391	\$ 112	\$	(51,279)
Total expenditures	51,391	51,391	112		(51,279)
Ending fund balance	-	(118,273)	14,408		132,681
Total Expenditures and Ending Fund Balance	\$ 51,391	\$ (66,882)	\$ 14,520	\$	81,402

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget- Over (Under)</u>	
<u>AVAILABLE</u>					
Grant income - State of Mississippi	\$ -	\$ -	\$ 33,304	\$ 33,304	
Interest earned	-	-	511	511	
Total receipts	-	-	33,815	33,815	
Beginning fund balance	468,836	348,630	348,630	-	
Total Available From All Sources	\$ 468,836	\$ 348,630	\$ 382,445	\$ 33,815	
<u>EXPENDITURES</u>					
Capital outlay	\$ 468,836	\$ 468,836	\$ 24,504	\$ (444,332)	
Transfers to other funds	-	-	4,000	4,000	
Total expenditures	468,836	468,836	28,504	(440,332)	
Ending fund balance	-	(120,206)	353,941	474,147	
Total Expenditures and Ending Fund Balance	\$ 468,836	\$ 348,630	\$ 382,445	\$ 33,815	

City of Clinton, Mississippi
Infrastructure Construction Fund
Budgetary Comparison Schedule

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ 103	\$ 103
Total receipts	-	-	103	103
Beginning fund balance	99,804	99,828	99,828	-
Total Available From All Sources	\$ 99,804	\$ 99,828	\$ 99,931	\$ 103
<u>EXPENDITURES</u>				
Transfers to other funds	\$ 99,804	\$ 99,804	\$ -	\$ (99,804)
Total expenditures	99,804	99,804	-	(99,804)
Ending fund balance	-	24	99,931	99,907
Total Expenditures and Ending Fund Balance	\$ 99,804	\$ 99,828	\$ 99,931	\$ 103

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 474,918	\$ 225,000	\$ (249,918)
Transfers from other funds	-	-	149,918	149,918
Interest earned	-	-	242	242
Total receipts	-	474,918	375,160	(99,758)
Beginning fund balance	-	(1,000)	(1,000)	-
Total Available From All Sources	\$ -	\$ 473,918	\$ 374,160	\$ (99,758)
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ -	\$ 12,229	\$ 12,229
Total expenditures	-	-	12,229	12,229
Ending fund balance	-	473,918	361,931	(111,987)
Total Expenditures and Ending Fund Balance	\$ -	\$ 473,918	\$ 374,160	\$ (99,758)

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

Year ended September 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary	Final Budget-	Basis Over (Under)
<u>AVAILABLE</u>					
Proceeds from bond issuance	\$ -	\$ 1,756,063	\$1,756,063	\$ -	
Interest earned	-	230	1,153	923	
Total receipts	-	1,756,293	1,757,216	923	
Beginning fund balance	-	(8,749)	(8,749)	-	
Total Available From All Sources	\$ -	\$ 1,747,544	\$1,748,467	\$ 923	
<u>EXPENDITURES</u>					
Capital outlay	\$ -	\$ 21,000	\$ 30,092	\$ 9,092	
Total expenditures	-	21,000	30,092	9,092	
Ending fund balance	-	1,726,544	1,718,375	(8,169)	
Total Expenditures and Ending Fund Balance	\$ -	\$ 1,747,544	\$1,748,467	\$ 923	

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

September 30, 2016

Name	Position	Surety	Bond Amount
Phillip Fisher	Mayor	Travelers Casualty and Surety	\$ 25,000
Jehu Brabham	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
Greg Cronin	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

City of Clinton, Mississippi
Schedule of Expenditures of Federal Awards

Year ended September 30, 2016

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
ENVIRONMENTAL PROTECTION AGENCY			
Passed Through Mississippi Department of Health:			
Capitalization Grants for Drinking Water SRF	66.468	DWI-L250003-03	\$ 566,544
Total Environmental Protection Agency			566,544
U.S. DEPARTMENT OF AGRICULTURE			
Direct:			
Farmer's Market Promotion Program	10.168	15FMPPM0045	12,996
Total U.S. Department of Agriculture			12,996
U.S. DEPARTMENT OF JUSTICE			
Direct:			
Bulletproof Vest Partnership Program	16.607	N/A	2,837
Federal Equitable Sharing Program	16.922	MS0250300	5,590
Total U.S. Department of Justice			8,427
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Mississippi Department of Transportation:			
Highway Planning and Construction	20.205	STPD-7365-00(001) LPA/105562-701000	426,553
			426,553
Passed Through Mississippi Department of Public Safety:			
State and Community Highway Safety	20.600	M5X-2016-MD-20-61	39,803
State and Community Highway Safety	20.600	PT-2016-PT-20-61	34,344
State and Community Highway Safety	20.600	15-ST-206-1	4,804
			78,951
Total U.S. Department of Transportation			505,504
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Mississippi Department of Public Safety:			
Homeland Security Grant Program	97.067	15LE147	35,029
Homeland Security Grant Program	97.067	S15LE147	25,000
Total U.S. Department of Homeland Security			60,029
Grand Total - All Programs			\$ 1,153,500

STATISTICAL SECTION
(Unaudited)

City of Clinton, Mississippi
Statistical Section
Introduction

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	99 - 103
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.	104 - 107
Debt Capacity	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	108 - 112
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	113 - 114
Operating Information	
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	115 - 117

City of Clinton, Mississippi
Schedule 1 - Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net investment in capital assets	\$ 50,171,984	\$ 53,636,587	\$ 52,203,066	\$ 51,186,836	\$ 48,965,691	\$ 51,322,208	\$ 53,347,815	\$ 52,779,694	\$ 53,845,605	\$ 54,470,872
Restricted for:										
Capital projects	3,025,020	829,858	-	-	26,029	16,933	-	-	-	-
Debt Service	1,367,564	1,267,370	1,203,410	1,130,499	1,357,907	1,159,747	1,135,099	1,063,256	924,770	27,463
Law enforcement	84,786	112,588	73,054	89,018	-	-	-	-	-	-
Economic development	46,452	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,497
Unrestricted	(13,901,458)	(12,850,912)	526,122	123,361	(901,591)	(1,197,481)	(838,537)	(1,068,211)	(1,236,329)	(1,078,133)
Total governmental activities										
net position	\$ 40,794,348	\$ 43,020,471	\$ 54,096,208	\$ 52,602,553	\$ 49,555,054	\$ 51,392,644	\$ 53,760,501	\$ 52,906,938	\$ 53,694,966	\$ 53,562,699
Business-Type Activities										
Net investment in capital assets	\$ 16,257,079	\$ 16,985,954	\$ 14,892,592	\$ 14,566,130	\$ 14,346,038	\$ 14,386,115	\$ 14,230,770	\$ 12,044,591	\$ 12,087,642	\$ 11,696,661
Restricted for:										
Capital projects	7,313	118,746	179,313	419,390	550,786	586,224	711,851	705,560	724,163	707,078
Debt Service	-	-	-	-	249,630	259,852	262,504	251,896	148,252	153,187
Unrestricted	2,960,356	501,866	5,239,643	4,395,634	4,957,067	4,394,256	3,682,411	2,567,679	1,913,850	1,674,515
Total business-type activities										
net position	\$ 19,224,748	\$ 17,606,566	\$ 20,311,548	\$ 19,381,154	\$ 20,103,521	\$ 19,626,447	\$ 18,887,536	\$ 15,569,726	\$ 14,873,907	\$ 14,231,441
Primary Government										
Net investment in capital assets	\$ 66,429,063	\$ 70,622,541	\$ 67,095,658	\$ 65,752,966	\$ 63,311,729	\$ 65,708,323	\$ 67,578,585	\$ 64,824,285	\$ 65,933,247	\$ 66,167,533
Restricted for:										
Capital projects	3,032,333	948,604	179,313	419,390	576,815	603,157	711,851	705,560	724,163	707,078
Debt Service	1,367,564	1,267,370	1,203,410	1,130,499	1,607,637	1,419,599	1,397,603	1,315,152	1,073,022	180,650
Law enforcement	84,786	112,588	73,054	89,018	-	-	-	-	-	-
Economic development	46,452	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,497
Unrestricted	(10,941,102)	(12,349,046)	5,765,765	4,518,995	4,055,476	3,196,775	2,843,874	1,499,468	677,521	596,382
Total primary government										
net position	\$ 60,019,096	\$ 60,627,037	\$ 74,407,756	\$ 71,983,707	\$ 69,658,675	\$ 71,019,091	\$ 72,648,037	\$ 68,476,664	\$ 68,568,873	\$ 67,794,140

Note: Prior year amounts have been retroactively restated for the effects of GASB Statements No. 63 and 65, which were implemented in 2012.

Note: The City implemented GASB No. 68 to account for pensions during 2015 which restated unrestricted fund balance.

City of Clinton, Mississippi
Schedule 2 - Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
General government	\$ 1,572,501	\$ 1,367,648	\$ 1,421,971	\$ 1,275,018	\$ 1,247,190	\$ 1,264,976	\$ 1,187,093	\$ 1,197,985	\$ 1,274,230	\$ 1,267,379
Public safety	9,939,218	9,331,276	8,159,879	7,878,595	7,599,403	7,535,290	7,315,429	7,073,641	7,134,969	7,431,687
Public works	4,894,300	4,724,360	4,703,635	5,083,963	4,838,090	5,026,298	4,888,047	4,833,401	4,685,385	3,836,761
Culture and recreation	2,130,256	2,192,622	2,217,554	2,432,712	2,371,690	2,317,690	1,762,446	1,879,882	1,926,502	1,787,511
Economic development	372,751	372,428	254,612	328,725	290,713	317,747	316,451	344,131	234,758	837,315
Interest and fiscal charges on long-term debt	572,359	647,588	671,638	1,075,879	920,626	845,542	887,988	928,450	685,012	686,384
Total governmental activities expenses	19,481,385	18,635,922	17,429,289	18,074,892	17,267,712	17,307,543	16,357,454	16,257,490	15,940,856	15,847,037
Business-type activities										
Water	2,717,174	2,517,626	2,429,947	2,639,622	2,608,991	2,558,240	2,287,261	2,335,446	2,492,671	2,530,182
Sewer	3,576,604	3,694,261	3,633,410	3,512,219	3,390,959	3,189,289	2,945,647	3,009,499	3,098,919	2,964,712
Total water and sewer	6,293,778	6,211,887	6,063,357	6,151,841	5,999,950	5,747,529	5,232,908	5,344,945	5,591,590	5,494,894
Garbage collection	1,742,275	1,741,739	1,773,780	1,658,252	1,663,306	1,843,939	1,463,908	1,459,153	1,372,285	1,203,390
Total business-type activities expenses	8,036,053	7,953,626	7,837,137	7,810,093	7,663,256	7,591,468	6,696,816	6,804,098	6,963,875	6,698,284
Total primary government expenses	\$ 27,517,438	\$ 26,589,548	\$ 25,266,426	\$ 25,884,985	\$ 24,930,968	\$ 24,899,011	\$ 23,054,270	\$ 23,061,588	\$ 22,904,731	\$ 22,545,321
Program Revenue										
Governmental activities										
Charges for services:										
General government	\$ 38,262	\$ 38,450	\$ 50,401	\$ 52,397	\$ 40,940	\$ 41,758	\$ 42,062	\$ 43,106	\$ 41,853	\$ 53,398
Public safety	654,466	806,621	712,236	768,265	569,110	689,661	611,768	606,184	728,753	615,543
Public works	-	-	-	-	-	-	-	-	-	2,701
Culture and recreation	130,532	126,729	120,400	143,935	123,022	118,597	71,602	70,769	92,264	74,883
Operating grants and contributions	412,736	329,327	451,170	173,575	233,216	344,057	227,641	415,524	186,256	371,603
Capital grants and contributions	1,095,519	3,278,664	3,660,555	4,995,726	1,141,986	890,250	3,040,032	957,001	2,808,410	25,759,946
Total governmental activities program revenue	2,331,515	4,579,791	4,994,762	6,133,898	2,108,274	2,084,323	3,993,105	2,092,584	3,857,536	26,878,074
Business-type activities										
Charges for services:										
Water	4,299,544	3,972,270	3,763,171	3,589,193	3,633,293	3,586,497	3,453,702	3,241,835	3,127,139	2,974,619
Sewer	3,574,541	3,331,170	3,100,251	2,942,144	2,841,097	2,812,509	2,835,891	2,672,842	2,564,094	2,327,178
Total water and sewer	7,874,085	7,303,440	6,863,422	6,531,337	6,474,390	6,399,006	6,289,593	5,914,677	5,691,233	5,301,797
Garbage collection	1,712,438	1,650,144	1,656,164	1,517,698	1,506,468	1,473,657	1,501,881	1,490,615	1,466,542	1,398,013
Operating grants and contributions	2,556	7,373	81,417	22,682	61,892	303,942	-	-	-	111,419
Capital grants and contributions	13,868	208,775	155,769	-	64,815	131,557	2,087,111	-	267,973	312,490
Total business-type activities program revenue	9,602,947	9,169,732	8,756,772	8,071,717	8,107,565	8,308,162	9,878,585	7,405,292	7,425,748	7,123,719
Total primary government program revenue	\$ 11,934,462	\$ 13,749,523	\$ 13,751,534	\$ 14,205,615	\$ 10,215,839	\$ 10,392,485	\$ 13,871,690	\$ 9,497,876	\$ 11,283,284	\$ 34,001,793

City of Clinton, Mississippi
Schedule 2 - Changes in Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Governmental activities	\$ (17,149,870)	\$ (14,056,131)	\$ (12,434,527)	\$ (11,940,794)	\$ (15,159,438)	\$ (15,223,220)	\$ (12,344,349)	\$ (14,164,906)	\$ (12,083,320)	\$ (11,031,047)
Business-type activities	1,566,894	1,216,106	919,635	261,624	444,309	716,694	3,181,769	601,194	461,873	425,435
Total primary government net expense	\$ (15,582,976)	\$ (12,840,025)	\$ (11,514,892)	\$ (11,679,170)	\$ (14,715,129)	\$ (14,506,526)	\$ (9,162,580)	\$ (13,563,712)	\$ (11,621,447)	\$ (10,605,612)
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 8,456,166	\$ 8,303,961	\$ 7,735,254	\$ 7,700,034	\$ 7,350,759	\$ 7,320,042	\$ 7,429,214	\$ 7,406,761	\$ 6,180,192	\$ 5,592,005
Local sales tax	172,573	124,773	167,178	158,961	128,001	113,260	112,078	125,381	118,467	103,974
Franchise charges based on gross receipts	695,486	843,204	795,429	705,228	656,554	689,366	725,911	731,354	791,583	716,451
Grants and contributions										
State grants and shared revenues	5,436,047	5,462,571	4,980,623	4,881,052	5,010,872	4,576,288	4,599,824	4,685,473	4,896,394	4,767,196
County shared revenues	91,944	90,424	108,231	96,441	97,758	90,628	89,995	96,706	89,871	70,215
Interest	10,968	7,890	6,949	11,828	31,831	19,115	109,541	237,136	125,437	181,607
Gain on capital assets disposals	-	602,769	104,100	412,136	-	-	-	-	-	-
Miscellaneous	60,563	27,986	30,418	22,613	46,073	46,664	131,349	94,067	13,673	12,644
Transfers	-	1,004,065	-	1,000,000	-	-	-	-	-	(190,381)
Total governmental activities	14,923,747	16,467,643	13,928,182	14,988,293	13,321,848	12,855,363	13,197,912	13,376,878	12,215,617	11,253,711
Business-type activities										
Interest	8,937	9,866	10,759	16,009	32,765	22,217	117,071	94,625	151,627	123,259
Gain (loss) on capital asset disposals	-	(47,057)	-	-	-	-	-	-	-	-
Miscellaneous	42,351	7,830	-	-	-	-	18,970	-	28,966	10,714
Transfers	-	(1,004,065)	-	(1,000,000)	-	-	-	-	-	190,381
Total business-type activities	51,288	(1,033,426)	10,759	(983,991)	32,765	22,217	136,041	94,625	180,593	324,354
Total primary government	\$ 14,975,035	\$ 15,434,217	\$ 13,938,941	\$ 14,004,302	\$ 13,354,613	\$ 12,877,580	\$ 13,333,953	\$ 13,471,503	\$ 12,396,210	\$ 11,578,065
Change in Net Position										
Governmental activities	\$ (2,226,123)	\$ 2,411,512	\$ 1,493,655	\$ 3,047,499	\$ (1,837,590)	\$ (2,367,857)	\$ 853,563	\$ (788,028)	\$ 132,297	\$ 222,664
Business-type activities	1,618,182	182,680	930,394	(722,367)	477,074	738,911	3,317,810	695,819	642,466	749,789
Total primary government	\$ (607,941)	\$ 2,594,192	\$ 2,424,049	\$ 2,325,132	\$ (1,360,516)	\$ (1,628,946)	\$ 4,171,373	\$ (92,209)	\$ 774,763	\$ 972,453

Notes: Prior year amounts have been retroactively restated for the effects of GASB Statements No. 63 and 65, which were implemented in 2012.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted for:										
Law enforcement	\$ 84,786	\$ 112,588	\$ 73,054	\$ 76,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	162,348	-	-	-	-	-
Economic development	13,222	-	-	-	-	-	-	-	-	-
Unassigned	3,010,087	2,826,432	1,757,377	1,719,617	1,138,000	1,269,967	1,361,631	913,471	1,032,351	1,178,097
Total general fund	\$3,108,095	\$2,939,020	\$1,830,431	\$1,795,969	\$1,300,348	\$1,269,967	\$1,361,631	\$ 913,471	\$1,032,351	\$1,178,097
All Other Governmental Funds										
Restricted for:										
Law enforcement	\$ -	\$ -	\$ -	\$ 12,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	33,730	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,467
Debt service	1,367,546	1,267,370	1,203,410	1,130,499	1,044,012	756,744	708,931	629,709	546,891	42,144
Capital projects	3,025,020	829,858	356,264	732,516	3,227,712	643,441	805,077	2,637,480	8,217,203	876,115
Assigned to debt service	21,828	19,787	18,498	18,242	16,695	12,090	12,011	9,477	4,536	3,402
Assigned to capital projects	-	-	359,000	-	-	-	-	-	-	-
Unassigned	-	(9,749)	(4,838)	(780)	-	(445)	(1,068)	(15,133)	(81,507)	(140,658)
Total all other governmental funds	\$4,448,124	\$2,132,246	\$2,022,890	\$1,965,982	\$4,395,437	\$1,503,067	\$1,641,075	\$3,393,732	\$8,848,043	\$ 923,470

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Property taxes	\$ 8,456,166	\$ 8,303,961	\$ 7,735,254	\$ 7,700,034	\$ 7,350,759	\$ 7,320,042	\$ 7,429,215	\$ 7,406,762	\$ 6,180,193	\$ 5,592,004
Licenses and permits	911,333	1,073,313	1,025,674	1,095,100	843,774	888,612	845,985	833,155	926,357	858,179
Intergovernmental	7,229,340	8,203,676	9,229,831	10,148,731	5,884,873	5,997,122	9,154,734	6,253,242	6,168,178	5,820,982
Charges for services	177,210	202,971	185,396	184,178	148,943	133,960	93,350	87,574	122,907	117,205
Fines and forfeitures	430,828	539,499	453,272	385,796	396,278	510,870	508,806	521,252	597,229	469,583
Special assessments	27,037	27,037	27,037	27,039	27,037	27,037	27,037	27,037	-	-
Interest	10,968	7,890	6,951	11,833	31,833	19,111	109,542	237,135	125,436	181,606
Contributions	65,650	6,269	22,555	157,022	46,382	110,262	37,175	26,844	170,301	74,521
Miscellaneous	32,901	26,551	44,542	27,365	29,158	45,377	63,023	264,221	179,466	184,570
Total revenues	17,341,433	18,391,167	18,730,512	19,737,098	14,759,037	15,052,393	18,268,867	15,657,222	14,470,067	13,298,650
Expenditures										
General government	1,355,665	1,313,751	1,379,039	1,245,519	1,231,290	1,206,610	1,121,351	1,329,550	1,278,437	1,324,171
Public safety	8,274,115	8,056,200	7,761,128	7,507,170	7,323,952	7,041,411	6,763,551	6,943,292	6,708,614	6,949,936
Public works	1,403,410	1,312,041	1,720,091	2,031,400	1,813,161	1,898,236	1,826,058	1,843,458	1,821,997	1,793,781
Culture and recreation	1,406,115	1,564,500	1,384,562	1,601,118	1,524,666	1,407,879	1,219,791	1,279,317	1,271,219	1,255,120
Economic development	371,818	369,876	254,021	326,897	291,672	315,093	314,068	345,591	231,360	381,262
Debt service:										
Principal	1,797,794	1,704,094	1,518,307	1,379,098	1,205,024	1,485,827	1,463,656	1,357,111	941,078	1,213,184
Interest and fiscal charges	669,728	634,823	680,275	1,142,841	875,459	849,642	897,861	947,420	767,730	284,171
Capital outlay	1,735,264	3,599,781	4,515,239	8,169,868	2,593,939	1,231,390	8,213,953	7,371,931	1,837,775	3,056,758
Total expenditures	17,013,909	18,555,066	19,212,662	23,403,911	16,859,163	15,436,088	21,820,289	21,417,670	14,858,210	16,258,383
Excess of revenues over (under) expenditures	327,524	(163,899)	(482,150)	(3,666,813)	(2,100,126)	(383,695)	(3,551,422)	(5,760,448)	(388,143)	(2,959,733)
Other Financing Sources (Uses)										
Proceeds from bonds issued	\$ 1,800,000	\$ -	\$ -	\$ -	\$ 4,250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bond issues	5,265,000	-	-	7,934,045	-	-	-	-	-	-
Premium on refunding bonds issued	203,972	-	-	305,949	-	-	-	-	-	-
Payments to refunded debt escrow agents	(5,278,096)	-	-	(7,970,796)	-	-	-	-	-	-
Capital lease proceeds	147,985	117,840	119,420	-	718,901	122,681	437,082	187,257	166,970	-
Loan proceeds	-	-	-	-	-	-	1,735,152	-	-	-
Note issued	-	-	350,000	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	259,939	104,100	463,781	53,976	31,442	74,591	-	-	-
Bond issue proceeds	18,586	-	-	-	4,250,000	-	-	-	8,000,000	485,000
Operating transfers in	403,839	1,296,890	543,507	1,185,651	642,286	176,794	176,709	179,256	640,068	830,291
Operating transfers out	(403,839)	(292,825)	(543,507)	(185,651)	(642,286)	(176,794)	(176,709)	(179,256)	(640,068)	(970,427)
Total other financing sources (uses)	2,157,447	1,381,844	573,520	1,732,979	9,272,877	154,123	2,246,825	187,257	8,166,970	344,864
Net change in fund balance	\$ 2,484,971	\$ 1,217,945	\$ 91,370	\$ (1,933,834)	\$ 7,172,751	\$ (229,572)	\$ (1,304,597)	\$ (5,573,191)	\$ 7,778,827	\$ (2,614,869)
Debt service as a percentage of noncapital expenditures	16.2%	15.6%	15.0%	16.6%	14.6%	16.4%	17.4%	16.4%	13.1%	11.3%

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

Fiscal Year	Residential Property	Commercial Property	Personal Property	Public Utilities and Automobiles	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value of Taxable Property
2016	\$ 85,421,239	\$ 63,529,279	\$ 18,856,758	\$ 50,909,428	\$ 16,218,048	\$ 202,498,656	41.49	\$ 1,410,970,250
2015	85,457,043	63,907,277	14,768,174	50,056,456	15,761,145	198,427,805	41.49	1,388,316,840
2014	85,892,317	63,421,945	14,596,615	50,925,174	15,518,074	199,317,977	38.74	1,393,616,743
2013	85,306,289	63,252,176	13,143,256	51,450,781	14,927,134	198,225,368	38.74	1,384,597,033
2012	82,805,345	61,457,059	12,529,737	46,677,494	14,436,798	189,032,837	38.74	1,332,522,423
2011	82,648,634	60,507,535	15,536,407	45,363,420	14,319,257	189,736,739	38.74	1,341,464,783
2010	81,423,405	60,739,184	16,169,896	45,579,140	13,995,973	189,915,652	38.74	1,338,931,987
2009	80,434,868	58,550,795	17,684,799	45,440,463	12,879,933	189,230,992	38.74	1,335,254,853
2008	59,165,987	44,886,013	19,591,360	46,949,701	11,912,549	158,680,512	38.74	1,058,882,537
2007	57,797,679	44,014,707	17,810,025	50,433,045	11,577,107	158,478,349	38.74	1,042,480,750

(1) Source: Hinds County Tax Assessor

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

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

(4) Residential and Commercial property was reassessed for the 2013 fiscal year.

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

City of Clinton, Mississippi
Schedule 6 – Direct and Overlapping Property Tax Rates ⁽¹⁾
Current Year and Ten Years Ago

Fiscal Year	City of Clinton				Overlapping Rates (a)		
	General Fund	Debt Service Fund	Fire & Protection Pension Fund	Total	Clinton Public School District	Hinds County (1)	Total
2016	34.23	6.39	0.87	41.49	67.94	38.33	147.76
2015	34.23	6.02	1.24	41.49	67.94	38.33	147.76
2014	31.48	5.78	1.48	38.74	64.94	38.33	142.01
2013	31.57	5.78	1.39	38.74	61.94	38.33	139.01
2012	31.47	5.78	1.49	38.74	58.64	38.33	135.71
2011	31.47	6.28	0.99	38.74	54.57	37.33	130.64
2010	31.95	6.28	0.51	38.74	54.57	37.33	130.64
2009	31.33	6.70	0.71	38.74	54.57	37.33	130.64
2008	32.82	5.05	0.87	38.74	54.57	39.12	132.43
2007	33.67	1.50	0.57	35.74	54.57	39.12	129.43

(1) Source: Hinds County Tax Assessor

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

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

City of Clinton, Mississippi
Schedule 7 - Principal Property Tax Payers ⁽¹⁾
Current Year and Ten Years Ago

Name of Taxpayer	2015 Assessed Property Value	Rank	Percentage of Total Assessed Valuation	2005 Assessed Property Value	Rank	Percentage of Total Assessed Valuation
Entergy	\$ 10,641,609	1	6.42%	\$ 9,542,278	1	8.74%
SC Clinton MS LLC	2,485,084	2	1.50%	-		0.00%
Reserve at Woodchase	2,167,791	3	1.31%	1,777,817	5	1.63%
Wal-Mart Stores	1,733,101	4	1.05%	1,667,357	6	1.53%
BellSouth	1,605,731	5	0.97%	1,885,330	4	1.73%
Clinton Assisted Living	1,212,527	6	0.73%	1,058,122	7	0.97%
Delphi Automotive Systems	1,185,119	7	0.72%	2,743,676	3	2.51%
Home Depot, USA	977,394	8	0.59%	-		0.00%
CA New Plan Venture	861,047	9	0.52%	-		0.00%
Windsor Village Apartments of Clinton	601,721	10	0.36%	-		0.00%
MCI, Inc.	-		0.00%	5,312,105	2	4.87%
United Artists Theatre Circuit	-		0.00%	485,843	9	0.44%
Gulf States Cannery	-		0.00%	469,321	10	0.43%
Leon V Ghatti	-		0.00%	887,549	8	0.81%
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Total taxable assessed value of ten largest taxpayers	23,471,124		14.17%	25,829,398		23.66%
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Total taxable assessed value of remaining taxpayers	142,199,283		85.83%	83,357,443		76.34%
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Total taxable assessed value of all taxpayers	\$ 165,670,407		100.00%	\$ 109,186,841		100.00%

(1) Source: Hinds County Tax Collector and Hinds County Tax Assessor

Notes: Total taxable assessed value excludes automobiles.

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

Fiscal Year	Total Tax Levy (2)	Collected Within Year for Which Levied	Percent of Levy	Collected in Subsequent Years	Total Collections To Date	Total Collections To Date as a % of Levy
2016	\$ 8,401,669	\$ 8,345,280	99.3%	\$ -	\$ 8,345,280	99.3%
2015	8,232,769	8,203,881	99.6%	-	8,203,881	99.6%
2014	7,721,191	7,667,563	99.3%	46,569	7,714,132	99.9%
2013	7,679,251	7,603,630	99.0%	34,199	7,637,829	99.5%
2012	7,323,132	7,309,084	99.8%	14,048	7,323,132	100.0%
2011	7,350,400	7,245,846	98.6%	44,752	7,290,598	99.2%
2010	7,357,332	7,353,261	99.9%	4,071	7,357,332	100.0%
2009	7,305,271	7,303,422	99.9%	1,849	7,305,271	100.0%
2008	6,147,283	6,058,013	98.5%	55,930	6,113,943	99.5%
2007	5,631,744	5,507,544	97.8%	59,657	5,567,201	98.9%

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

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

City of Clinton, Mississippi
Schedule 9 - Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Incremental Limited Bonds	Notes Payable	Capital Lease	General Obligation Bonds	Tax Incremental Limited Bonds	Notes Payable	Capital Lease			
2016	\$ 18,483,821	\$ 583,000	\$ 210,000	\$ 676,175	\$ 781,489	\$ -	\$ 14,560,247	\$ -	\$ 35,294,732	3.71%	920
2015	17,806,108	767,000	280,000	749,363	864,235	-	12,399,558	-	32,866,264	3.46%	857
2014	18,663,713	946,000	730,000	853,680	905,166	-	13,062,653	-	35,161,212	3.70%	1,389
2013	19,456,950	1,114,500	740,000	954,365	945,464	-	14,290,909	-	37,502,188	3.88%	1,456
2012	13,888,704	1,276,500	6,428,359	1,226,240	1,011,295	250,846	15,425,633	37,638	39,545,215	4.52%	1,568
2011	10,061,134	1,428,500	6,859,391	706,902	1,118,865	361,696	16,503,505	81,519	37,121,512	4.10%	1,472
2010	10,759,698	1,569,500	7,266,217	823,658	1,220,302	467,546	15,771,033	118,775	37,996,729	3.91%	1,507
2009	11,423,829	1,705,500	7,633,026	683,292	1,421,171	563,395	13,691,741	165,345	37,287,299	3.68%	1,417
2008	12,054,092	1,841,000	7,973,665	746,743	1,610,908	654,246	14,371,561	229,294	39,481,509	3.97%	1,496
2007	4,414,923	1,960,000	8,191,085	823,600	1,790,077	740,096	15,216,424	280,044	33,396,249	3.36%	1,265

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

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

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

In fiscal year 2012 the city issued \$4.2 million in general obligation bonds in governmental activities for infrastructure improvements.

In fiscal year 2013 the city issued \$8.8 million in general obligation refunding bonds. \$7.9 million was refunded in government activities and \$886 thousand was refunded in business-type activities.

See Schedule 14 for personal income and population data.

City of Clinton, Mississippi
Schedule 10 - Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonds (3,4)	Restricted for Principal Repayment (5)	Net General Obligation Bonds	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2016	25,216	\$ 1,410,970,250	\$19,265,310	\$ 1,897,254	\$ 17,368,056	1.23%	689
2015	25,411	1,388,316,840	18,670,343	875,000	17,795,343	1.28%	700
2014	25,305	1,393,616,743	19,568,879	818,319	18,750,560	1.35%	741
2013	25,752	1,384,597,033	20,402,414	768,740	19,633,674	1.42%	762
2012	25,216	1,332,522,423	14,899,999	709,929	14,190,070	1.06%	563
2011	25,216	1,341,464,783	11,179,999	514,586	10,665,413	0.80%	423
2010	25,216	1,338,931,987	11,980,000	489,515	11,490,485	0.86%	456
2009	26,313	1,335,254,853	12,845,000	424,357	12,420,643	0.93%	472
2008 *	26,400	1,058,882,537	13,665,000	319,546	13,345,454	1.26%	506
2007 *	26,400	1,042,480,750	6,205,000	30,972	6,174,028	0.59%	234

* Estimated by the Central Mississippi Planning and Development District

(1) Source: United States Census Bureau.

(2) See Schedule 5

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

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

(5) Principal repayment amount is estimated.

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

City of Clinton, Mississippi
Schedule 11 - Direct and Overlapping Governmental Activities Debt

September 30, 2016

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Clinton (1)	Amount Applicable to City of Clinton
Overlapping:			
Clinton Separate School District	\$ 37,105,004	85.6% (1) \$	31,761,883
Hinds County	36,490,000	11.7% (1)	4,269,330
			36,031,213
Direct:			
City of Clinton	19,952,996 *	100.0%	19,952,996
Total Direct and Overlapping Debt			\$ 55,984,209

Source: City Clerk Office, Clinton Public School District, and Hinds County Chancery Clerk.

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

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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
AUTHORIZED DEBT LIMIT 15% RULE										
Assessed value of taxable property	\$ 218,717	\$ 214,189	\$ 213,800	\$ 213,153	\$ 203,470	\$ 204,056	\$ 203,912	\$ 202,111	\$ 170,593	\$ 170,055
Debt limitation - 15% of net assess value	\$ 32,808	\$ 32,128	\$ 32,070	\$ 31,973	\$ 30,521	\$ 30,608	\$ 30,587	\$ 30,317	\$ 25,589	\$ 25,508
Less - subject indebtedness:										
General obligation bond	18,114	17,571	18,405	19,175	13,889	10,061	10,760	11,424	12,054	4,415
Legal debt margin under 15 percent rule	\$ 14,694	\$ 14,557	\$ 13,665	\$ 12,798	\$ 16,632	\$ 20,547	\$ 19,827	\$ 18,893	\$ 13,535	\$ 21,093
AUTHORIZED DEBT LIMIT 20% RULE										
Assessed value of taxable property	\$ 218,717	\$ 214,189	\$ 213,800	\$ 213,153	\$ 203,470	\$ 204,056	\$ 203,912	\$ 202,111	\$ 170,593	\$ 170,055
Debt limitation - 20% of net assess value	\$ 43,743	\$ 42,838	\$ 42,760	\$ 42,631	\$ 40,694	\$ 40,811	\$ 40,782	\$ 40,422	\$ 34,119	\$ 34,011
Less - subject indebtedness:										
General obligation bond	18,895	18,435	19,310	20,120	13,889	10,061	10,760	11,424	12,054	4,415
Other	886	1,030	1,204	954	1,264	788	942	849	976	1,084
Legal debt margin under 20 percent rule	\$ 23,962	\$ 23,373	\$ 22,246	\$ 21,557	\$ 25,541	\$ 29,962	\$ 29,080	\$ 28,149	\$ 21,089	\$ 28,512
Total net debt applicable to the limit as a percentage of debt limit 15% rule	55.21%	54.69%	57.39%	59.97%	45.51%	32.87%	35.18%	37.68%	47.11%	17.31%
Total net debt applicable to the limit as a percentage of debt limit 20% rule	45.22%	45.44%	47.97%	49.43%	37.24%	26.58%	28.69%	30.36%	38.19%	16.17%

As set forth by the Mississippi Code, section 21-33.303, no municipality shall issue bonds for the purposes authorized by law in amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed 15% of the assessed value of the taxable property within such municipality. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness for school, water, sewerage systems, and for the construction of special improvements primarily chargeable to the property benefited.

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

In 2008 a General Obligation Bond for \$58,000,000 was issued for the construction of a public library.

In 2012 a General Obligation Bond for 54,250,000 was issued for infrastructure improvements.

In 2013 a General Obligation Refunding Bond for \$8,820,000 was issued.

In 2016 a General Obligation Bond for \$1,800,000 was issued for the construction of a Fire Station and a General Obligation Refunding Bond for \$5,265,000 was issued.

Residential and Commercial property was reassessed for the 2013 fiscal year.

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

Fiscal Year	Water and Sewer Revenue Bonds						Tax Increment Financing Bonds				Notes Payable to State of Mississippi			
	Revenues	Less: Expenses (1)	Net Available Revenue	Debt Service		Coverage	Incremental Property Taxes Collected (2)	Debt Service			Sales Tax (3)	Debt Service		
				Principal	Interest			Principal	Interest	Coverage		Principal	Interest	Coverage
2016	\$ 7,883	\$ 4,625	\$ 3,258	\$ -	\$ -	0.00	\$ 230	\$ 184	\$ 42	1.02	\$ 4,709	\$ 1,233	\$ 273	3.13
2015	7,312	4,706	2,606	-	-	0.00	234	179	53	1.01	4,638	1,658	312	2.35
2014	6,873	4,676	2,197	-	-	0.00	234	168	62	1.02	4,446	1,588	353	2.29
2013	6,547	4,762	1,785	260	7	6.69	234	162	70	1.01	4,358	1,593	613	1.98
2012	6,506	4,582	1,924	120	18	13.94	237	152	78	1.03	4,497	1,578	656	2.01
2011	6,375	4,395	1,980	115	25	14.14	230	141	86	1.01	4,065	1,382	644	2.01
2010	6,310	3,844	2,466	105	31	18.13	233	136	92	1.02	4,078	1,263	663	2.12
2009	5,985	4,077	1,908	100	37	13.93	235	136	101	0.99	4,205	1,211	704	2.20
2008	5,769	4,217	1,552	95	42	11.33	230	120	106	1.02	4,305	1,062	741	2.39
2007	5,341	4,127	1,214	90	47	8.86	165	79	86	1.00	4,152	897	730	2.55

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

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

City of Clinton, Mississippi
Schedule 14 - Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Income (3) *	Total Personal Income	Median Age (1)	Education Level In Years of Formal Schooling (1)	School Enrollment (2)	Unemployment Rate (3)
2016	25,216	\$ 38,344	\$ 966,882,304	35.2	14.1	5,086	5.5%
2015	25,411	38,344	974,359,384	35.2	14.1	4,901	5.5%
2014	25,305	37,578	950,911,290	35.2	14.1	4,860	6.6%
2013	25,752	37,561	967,270,872	35.2	14.1	4,688	6.6%
2012	25,216	34,721	875,524,736	35.2	14.1	4,637	8.5%
2011	25,216	35,865	904,371,840	35.2	14.1	4,535	8.8%
2010	25,216	38,502	970,866,432	35.2	14.1	4,509	8.8%
2009	26,313	38,502	1,013,103,126	35.2	14.1	4,635	7.9%
2008 *	26,400	37,679	994,725,600	33.1	14.1	4,718	4.1%
2007 *	26,400	36,292	958,108,800	33.1	14.1	4,752	5.3%

(1) Source: United States Census Bureau.

(2) Source: Clinton Public School District.

(3) Source: Mississippi Employment Security Commission.

Notes:

* Applicable to Hinds County.

City of Clinton, Mississippi
Schedule 15 - Principal Employers
Current Year and Nine Years Ago

Employer	2016		2007	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Delphi Corporation	-	0.00%	1,077	8.17%
Clinton Public School District	700	5.31%	575	4.36%
Wal-Mart SuperCenter	526	3.99%	520	3.95%
Mississippi College	720	5.46%	450	3.41%
City of Clinton	207	1.57%	215	1.63%
Kroger	223	1.69%	130	0.99%
Entergy	-	0.00%	338	2.56%
Verizon	500	3.79%	-	0.00%
AKZO Noble Coatings,	129	0.98%	-	0.00%
Reznick Insurance	123	0.93%	-	0.00%
Home Depot	109	0.83%	-	0.00%
University Physicians	282	2.14%	-	0.00%
Lockheed Martin	106	0.80%	-	0.00%
MS Department of Revenue	500	3.79%	-	0.00%
University of Mississippi Medical Center	250	1.90%	-	0.00%
Taylor Power Systems	125	0.95%	-	0.00%
Total	4,500	34.14%	3,305	25.08%

Source: City of Clinton Economic Development Department

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

City of Clinton, Mississippi
Schedule 16 - Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

	Full-time Equivalent Employees as of September 30th									
<u>Function/Program</u>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Mayor and Aldermen	9	9	9	9	9	9	9	9	9	9
Administration	5	5	5	6	5	5	4	5	6	7
Court	5	5	5	5	5	5	4	3	3	3
Planning/Zoning and Inspections	-	4	4	5	5	5	5	5	4	4
Police										
Officers	54	51	45	44	47	45	48	48	48	50
Civilians	23	17	17	15	17	17	14	14	14	14
Fire										
Firefighters	57	49	46	42	43	47	47	45	47	45
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Street	14	15	14	24	24	25	25	26	24	25
Water	16	16	14	19	19	18	18	18	19	18
Wastewater	17	17	15	11	11	11	11	11	11	11
Parks and Recreation	14	14	15	19	18	15	19	19	17	15
Therapeutic Recreation	1	1	-	-	-	-	-	-	-	-
Mainstreet	2	2	1	1	1	1	1	1	1	1
Economic Development	-	-	-	-	1	1	1	1	-	-
Communications	1	1	1	-	-	-	-	-	-	-
Total	219	207	192	201	206	205	207	206	204	203

Source: City Clerk Office

City of Clinton, Mississippi
Schedule 17 - Operating Indicators by Function/Program
Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Function/Program</u>										
General government										
Building permits issued	771	508	609	564	827	840	70	73	97	112
Police										
Physical arrests	1,335	1,446	1,599	1,231	1,155	1,522	1,564	1,203	1,240	1,647
Parking violations	20	29	42	237	216	602	196	259	683	2,898
Traffic violations	6,500	5,027	5,138	3,844	4,221	5,697	7,200	5,152	5,260	613
Fire										
Emergency responses	25,100	2,492	2,328	2,291	2,144	1,604	2,030	2,082	2,065	1,884
Fires extinguished	51	49	65	76	69	99	75	70	87	103
Inspections	260	253	229	241	252	280	255	250	438	300
Water										
New connections	170	164	146	131	121	98	60	80	154	168
Total connections	9,700	9,617	9,539	9,057	8,926	8,805	8,819	8,731	8,644	8,867
Average daily consumption (millions of gallons)	3.1	3.1	2.9	3.0	3.7	3.5	3.4	3.3	3.3	3.3
Peak daily consumption (millions of gallons)	3.8	3.8	3.6	3.7	3.9	3.8	3.6	3.6	4.1	4.1
Wastewater										
Total connections	8,547	8,507	8,469	8,432	7,859	7,859	7,859	7,840	7,763	8,851
Average daily consumption (millions of gallons)	3.2	3.2	3.0	3.1	3.5	3.3	3.1	3.1	2.6	2.6
Peak daily consumption (millions of gallons)	6.8	6.8	6.3	6.9	8.9	8.9	8.8	8.6	10.1	10.1

* Information not available.

Source: Various city departments

Notes:

(1) Building permits increased in 2011 primarily due to the rebuilding as a result of a tornado.

City of Clinton, Mississippi
Schedule 18 - Capital Asset Statistics by Function/Program
Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Function/Program</u>										
Police										
Stations	3	2	1	1	1	1	1	1	1	1
Patrol units	53	51	47	44	37	37	37	34	30	33
Fire										
Fires stations	3	3	3	3	3	3	3	3	3	3
Streets										
Miles of Streets	174	174	174	174	174	174	174	174	174	174
Streetlights	2,477	2,479	2,462	2,447	2,437	2,415	2,396	2,382	2,382	2,362
Traffic signals	-	28	28	27	26	26	26	26	26	23
Water										
Miles of water mains	159	159	159	158	157	157	157	156	156	156
Number of hydrants	1,478	1,478	1,474	1,461	1,451	1,442	1,443	1,443	1,439	1,425
Wastewater										
Miles of sanitary sewers	108	108	108	107	106	106	106	106	106	105
Miles of storm sewers	86	86	87	86	85	85	85	85	85	84
Number of treatment plants	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Parks	5	5	5	5	5	5	5	5	5	5
Acreage	210	210	210	210	210	210	210	210	210	210
Playgrounds	5	5	5	5	5	5	5	5	5	5
Baseball/Softball diamonds	13	13	13	14	14	14	14	14	14	14
Soccer fields	11	11	11	11	11	11	11	11	11	10
Tennis courts	8	8	12	10	10	10	10	10	10	9
Basketball courts	3	3	3	3	3	3	3	3	3	3
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	2	1	1	1	1	1	1	1
Walking trails	5	5	5	6	6	6	6	6	6	5

Source: Various city departments

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, 2016, 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 23, 2017.

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 attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 23, 2017



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Clinton, Mississippi's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2016. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Clinton, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 23, 2017



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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, 2016, 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 23, 2017.

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, 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 23, 2017

City of Clinton, Mississippi
Schedule of Findings and Questioned Costs

For the year ended September 30, 2016

Section I: Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	None reported
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR, Section 200.516(a)?	No

Identification of major programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
20.205	Highway Planning and Construction

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

Section II: Financial Statement Findings

None reported

Section III: Federal Awards Findings and Questioned Costs

None reported



City of Clinton, Mississippi
Summary Schedule of Prior Audit Findings

For the year ended September 30, 2016

No audit findings related to federal awards were reported in the audit of the year ended September 30, 2015.