

City of Clinton, Mississippi

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2015

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



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INTRODUCTORY SECTION

City of Clinton, Mississippi

Letter of Transmittal



May 23, 2016

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 Cashion
Ward Six

Jehu Brabham
Alderman-At-Large

Russell L. Wall
City Clerk

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Clinton for the fiscal year ended September 30, 2015. 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, 2015 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, 2015 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 2015 CAFR.

**YOU
BELONG
HERE**

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.

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 25,411.

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 69 through 72. For all other governmental funds, this comparison is presented on pages 81 through 96.

The City has a tradition of providing quality education to children of its citizens and others seeking quality education. Mississippi College, a private college established in 1826, is the oldest college in Mississippi and the second oldest Baptist College in the United States. Mississippi College offers its 4,921 students' with more than 80 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 4,901 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 \$47.6 million for 2016. 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, 2015, property taxes represented 51 percent of the City's general revenues while sales taxes represented 29 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 \$806 thousand dollars. As a consequence, increases of \$721 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. Improvements to Hampstead Boulevard were completed in late 2015 with the completion providing a direct route from the I-20/Springridge Road area to the eastern city limits on Highway 80. These improvements were funded utilizing federal Highway Administration/ Mississippi Department of Transportation – Surface Transportation Program monies for funding along with a City match.

Improvements to the Southern Oaks Subdivision sewer system were completed in late spring of 2015. These improvements were funded by a Special Assessment of the affected property owners and tied the existing sewer system into the City's sewer system which allowed for the subdivision's sewer treatment lagoon to be taken out of service.

The first phase of Windsor Plantation, a residential subdivision located along Pinehaven Drive, was completed in the spring of 2015 and the Developer submitted plans for constructing additional lots, for which construction will likely begin later in 2016. Construction is also anticipated to start in mid-2016 on Cedar Hill Place, another residential subdivision located along Pinehaven Drive.

The City completed a project in late 2015 which provided for large diameter water mains along Keith Lane, Kelvin and Shadia Drives; portions of Williamson Road and Pinehaven Drive; a portion of Clinton-Tinnin Road; Stafford Drive and Creek Road; and within Southern Oaks Subdivision. These improvements will provide for additional fire protection and allow for the City's Fire Rating, as determined by the Mississippi State Rating Bureau, to remain unchanged.

A new water well, located at Northside Park, will be brought online in early 2016. This project is funded under the State Revolving Fund monies from the Mississippi State Department of Health.

Currently, sewer improvements are being constructed at numerous locations around the City using State Revolving Fund monies from the Department of Environmental Quality. These improvements will replace numerous old pump stations, upgrade capacity in some lines and rehabilitate a number of gravity sewer lines, decreasing the amount of inflow and infiltration being realized in the system. This project should be completed in late spring of 2016.

City of Clinton, Mississippi Letter of Transmittal

Finally, the Engineering staff, in conjunction with Public Works, are currently updating the City's utility mapping using GPS equipment to locate water and sewer utility appurtenances (valves, fire hydrants, manholes, etc.). This information will allow the Public Works and Engineering Departments to provide updated information, in a timely manner, for future development and to assist in making repairs to the system.

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, 2014. This was the eleventh 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 unflinching 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, 2015

CITY OF CLINTON
List of Principal Officers
September 30, 2015

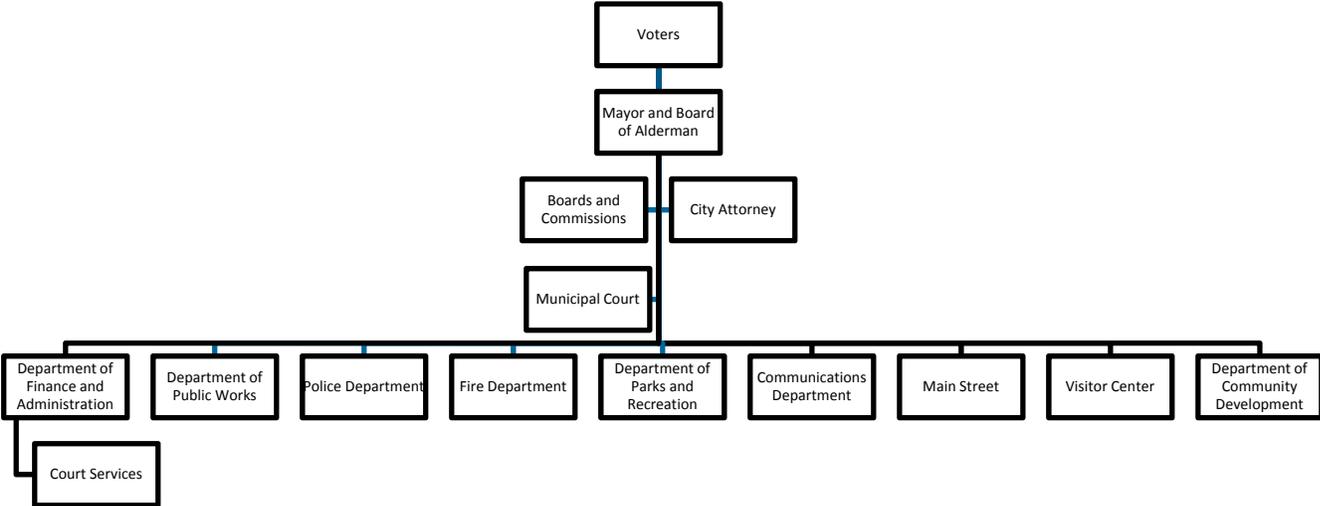
<u>Title</u>	<u>Name</u>
Mayor	Phillip Fisher
Alderman at Large	Jehu Brabham
Alderman Ward 1	David Ellis
Alderman Ward 2	Jim Martin
Alderman Ward 3	William Barnett
Alderman Ward 4	Greg Cronin
Alderwoman Ward 5	Jan Cossitt
Alderman Ward 6	Mike Cashion
City Attorney	Ken Dreher
City Clerk / Chief Financial Officer	Russell Wall
Director of Public Works	Mike Parker
Director of Community Development	Roy Edwards
Police Chief	Michael Warren
Fire Chief	Barry Burnside
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, 2015**

CITY OF CLINTON

Organizational Chart

September 30, 2015



City of Clinton, Mississippi
Certificate of Achievement for Excellence in Financial Reporting
September 30, 2015



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clinton
Mississippi**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FINANCIAL SECTION



Carr Riggs & Ingram, LLC
282 Commerce Park Drive
Ridgeland, Mississippi 39157

Mailing Address:
P.O. Box 2418
Ridgeland, Mississippi 39158-2418

(601) 853-7050
(601) 853-9331 (fax)
www.cricpa.com

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the City of Clinton adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

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 69 through 72 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

Governments, and Non-Profit Organizations, 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 May 23, 2016, 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
May 23, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)



City of Clinton, Mississippi Management's Discussion and Analysis September 30, 2015

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, 2015. 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 6. One of the most important questions asked about the City's finances is "Is the City, as a whole, in better or worse condition as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities to assist in answering this question. These statements include all assets, liabilities, and deferred inflows and outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All current year's revenues and expenses are taken into account, regardless of when cash is received or spent.

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

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

- **Governmental 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.



City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2015

- 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 6. 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 Hampstead Boulevard Construction Project 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.

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.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2015

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.

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, 2015 total net position was \$60 million.

	City of Clinton Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 13,639,098	\$ 12,105,995	\$ 5,372,763	\$ 6,378,579	\$ 19,011,861	\$ 18,484,574
Capital assets	72,806,196	72,558,440	30,249,747	28,860,411	103,055,943	101,418,851
Total assets	86,445,294	84,664,435	35,622,510	35,238,990	122,067,804	119,903,425
Deferred outflows of resources	2,672,270	481,723	411,255	-	3,083,525	481,723
Long-term liabilities	37,076,497	20,696,829	15,481,170	12,703,964	52,557,667	33,400,793
Other liabilities	1,700,430	3,624,981	2,774,228	2,223,478	4,474,658	5,848,459
Total liabilities	38,776,927	24,321,810	18,255,398	14,927,442	57,032,325	39,249,252
Deferred inflows of resources	7,381,377	6,728,140	110,590	-	7,491,967	6,728,140
Net position:						
Net investment in capital assets	53,636,587	52,203,066	16,985,954	14,892,592	70,622,541	67,095,658
Restricted	2,234,796	1,367,020	118,746	179,313	2,353,542	1,546,333
Unrestricted	(12,850,912)	526,122	501,866	5,239,643	(12,349,046)	5,765,765
Total net position	\$ 43,020,471	\$ 54,096,208	\$ 17,606,566	\$ 20,311,548	\$ 60,627,037	\$ 74,407,756



**City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2015**

The largest portion of the City's net position (70.6 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, 2015

City of Clinton
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Changes for services	\$ 971,800	\$ 883,037	\$ 8,953,584	\$ 8,519,586	\$ 9,925,384	\$ 9,402,623
Operating grants and contributions	329,327	451,170	7,373	81,417	336,700	532,587
Capital grants and contributions	3,278,664	3,660,555	208,775	155,769	3,487,439	3,816,324
General revenues:						
Property taxes	8,303,961	7,735,254	-	-	8,303,961	7,735,254
Sales taxes	4,762,782	4,612,915	-	-	4,762,782	4,612,915
Franchise charges	843,204	795,429	-	-	843,204	795,429
Shared grants and revenues	914,986	643,117	-	-	914,986	643,117
Other	638,645	141,467	(29,361)	10,759	609,284	152,226
Total revenues	20,043,369	18,922,944	9,140,371	8,767,531	29,183,740	27,690,475
Expenses:						
General government	1,367,648	1,421,971	-	-	1,367,648	1,421,971
Public safety	9,331,276	8,159,879	-	-	9,331,276	8,159,879
Public works	4,724,360	4,703,635	-	-	4,724,360	4,703,635
Culture and recreation	2,192,622	2,217,554	-	-	2,192,622	2,217,554
Economic development	372,428	254,612	-	-	372,428	254,612
Interest on long-term debt	647,588	671,638	-	-	647,588	671,638
Water and sewer	-	-	6,211,887	6,063,357	6,211,887	6,063,357
Garbage	-	-	1,741,739	1,773,780	1,741,739	1,773,780
Total expenses	18,635,922	17,429,289	7,953,626	7,837,137	26,589,548	25,266,426
Change in net position before transfers	1,407,447	1,493,655	1,186,745	930,394	2,594,192	2,424,049
Transfers	1,004,065	-	(1,004,065)	-	-	-
Change in net position	2,411,512	1,493,655	182,680	930,394	2,594,192	2,424,049
Net Position as originally reported	54,096,208	52,602,553	20,311,548	19,381,154	74,407,756	71,983,707
Prior period adjustment	(13,487,249)	-	(2,887,662)	-	(16,374,911)	-
Net position -beginning balance as restated	40,608,959	52,602,553	17,423,886	19,381,154	58,032,845	71,983,707
Total net position	\$ 43,020,471	\$ 54,096,208	\$ 17,606,566	\$ 20,311,548	\$ 60,627,037	\$ 74,407,756



City of Clinton, Mississippi
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At September 30, 2015, 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 2015 by \$11.5 million. This decrease resulted primarily from the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27". The decrease in the unrestricted net position for business-type activities in 2015 is a result of improvements made to the Southern Oaks Subdivision sewer system and the laying of large diameter water mains for additional fire protection in the northern part of the City. The City's total net position decreased \$ 13.7 million during the current fiscal year primarily as a result of decreases due to the implementation of GASB Statement No. 68 and water and sewer improvements.

Governmental activities: Governmental activities decreased the City's net position by \$11.1 million during the year. The increase in property taxes was primarily due to a 2.75 mill increase in ad valorem taxes. The increase in franchise charges was due to increases in collections. The increase in other revenues was due to a gain on a City building swap. The increase in public safety expenses was primarily due to the salary costs for the hiring of new police officers. The decrease in culture and recreation expenses was due to the continued efforts of a complete review of the department's programs and activities that resulted in lower costs for salaries, supplies, other services and charges, and capital outlay. The increase in economic development expenses was due to increased costs associated with bringing new businesses to the City. The prior period adjustment was due to the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27".

Business-type activities: Business-type activities decreased the City's net position by \$2.7 million during the year. Total capital assets increased in 2015 primarily due to the addition of water and sewer improvements. Total long term liabilities increased due to an increase in the net pension obligation due to the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27". The prior period adjustment is due to the implementation of GASB Statement No. 68. Water and Sewer expenses increased in 2015 primarily due to higher than expected costs for salaries in the water department. Garbage expenses decreased in 2015 as a result of decreases in the collection of residential and commercial garbage.

City of Clinton, Mississippi
Management's Discussion and Analysis
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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	\$ 1,830,431	\$ 1,108,589	\$ 2,939,020
Hampstead Boulevard construction project fund	(4,838)	305,898	301,060
Special revenue funds	90,556	(65,576)	24,980
Debt service funds	1,221,908	65,249	1,287,157
Capital project funds	715,264	(196,215)	519,049
Total governmental funds	\$ 3,853,321	\$ 1,217,945	\$ 5,071,266

	Beginning Net Position	Increase (Decrease)	Ending Net Position
Water and sewer operations fund	\$ 16,911,173	\$ 263,747	\$ 17,174,920
Garbage collection fund	568,399	(75,542)	492,857
Self-funded group insurance fund	(364,877)	(30,385)	(395,262)
Total proprietary funds	\$ 17,114,695	\$ 157,820	\$ 17,272,515

The increase in the General Fund is primarily due to an increase of 2.75 mills in the ad valorem tax on real, personal, public utility, and automobile taxes.

The increase in the Hampstead Boulevard Construction Fund is primarily due to the cost of the project being less than expected.

The decrease in the special revenue funds is primarily due to the refund of sales taxes back to the state for motel and hotel stays that was sent to the City in error.

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

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

The decrease in the garbage collection fund balance is primarily due to operating costs increasing more rapidly than the fees charged to residents. 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, and claims continued to exceed expectations in 2015. 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 \$1.2 million. This increase resulted primarily from a \$459 thousand increase to the beginning fund balance, a \$124 thousand increase to franchise fees received, a \$306 thousand increase to general sales tax received, a \$57 thousand increase in homestead exemption reimbursement received, a \$243 thousand increase in insurance proceeds for hail damage to the Quisenberry Library roof, and a \$30 thousand increase for the reimbursement of property cleaning costs. Final budgeted expenditures were \$721 thousand greater than those originally budgeted. Key elements of this increase were as follows:

- \$104,000 decrease in personal services as a result of savings from vacant positions
- \$30,000 increase in operating supplies as the result of increases in other repairs and maintenance supplies for the Fire Department and increases for the Therapeutic Recreation Department.
- \$201,000 decrease in other services and charges due to a budget amendment between the debt service and other services and charges budgets of the Parks and Recreation Department.
- \$578,000 increase in capital outlay due to the purchase of police vehicles for the City's police officers and the purchase of land for a new fire station in the northern part of the City.
- \$435,000 increase in debt service due to a budget amendment between the other services and charges and debt service budgets of the Parks and Recreation Department
- \$17,000 decrease in transfers and other charges due to over budgeting this category.

Actual funds available were \$288 thousand more than final budgeted. The majority of this difference consisted of a \$158 thousand increase in fines and forfeitures collected, a \$95

City of Clinton, Mississippi
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thousand increase in federal grants received, and a \$15 thousand increase in state grants received.

Actual expenditures were \$745 thousand less than those finally budgeted. The majority of this decrease consisted of \$261 thousand in police, fire, parks and recreation, and streets salaries and a \$484 thousand decrease in administration, police, streets, and parks and recreation supplies, other services and charges and debt service.

For additional information, see Required Supplementary Information beginning on page 64.

CAPITAL ASSETS

Governmental activities: The City's investment in net capital assets for its governmental activities amounted to \$72.8 million at September 30, 2015. This investment includes land, buildings, other improvements, equipment and vehicles, infrastructure and construction in progress. Additions during the current year totaled \$5.1 million. Significant increases were:

- \$2.90 million — for work on the Hampstead Boulevard expansion project
- \$440 thousand — for the purchase of a city building
- \$160 thousand — for land to build a new fire station
- \$144 thousand — for purchase of police vehicles
- \$134 thousand — for work on the Pinehaven Drive widening project
- \$132 thousand — for work on the Arrow Drive widening project
- \$ 48 thousand — for the replacement of the Quisenberry Library roof
- \$ 45 thousand — for a trailer for the Police Bomb Squad
- \$ 26 thousand — for various other capital assets

Depreciation expense amounted to \$4.8 million for 2015 and \$4.3 million for 2014. Accumulated depreciation at September 30, 2015 and 2014 was \$57.6 million and \$ 52.9 million, respectively.

Business-type activities: At September 30, 2015, the City's business-type net capital assets amounted to \$30.2 million. This asset grouping includes land, buildings, water and sewer systems, equipment and vehicles and construction in progress. Additions of \$2.9 million were made during 2015 mainly for water and sewer improvements and the purchase of new vehicles. Depreciation expense amounted to \$1.5 million for 2015 and \$1.5 million for 2014. Accumulated depreciation at September 30, 2015 and 2014 was \$26.7million and \$25.4 million, respectively.

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2015

City of Clinton
Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Land	\$ 8,048,175	\$ 7,850,025	\$ 168,012	\$ 177,512	\$ 8,216,187	\$ 8,027,537
Buildings	15,565,803	15,867,827	152,106	200,915	15,717,909	16,068,742
Other improvements	3,418,969	3,721,796	-	-	3,418,969	3,721,796
Water and sewer systems and improvements	-	-	26,498,677	27,129,480	26,498,677	27,129,480
Certificate of authority	-	-	800,000	800,000	800,000	800,000
Equipment and vehicles	1,572,865	1,625,123	430,337	346,486	2,003,202	1,971,609
Infrastructure	44,190,637	43,114,833	-	-	44,190,637	43,114,833
Construction in progress	9,747	378,836	2,200,615	206,018	2,210,362	584,854
Total net position	\$ 72,806,196	\$ 72,558,440	\$ 30,249,747	\$ 28,860,411	\$ 103,055,943	\$ 101,418,851

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 \$19.6 million. This account classification includes general obligation bonds; tax increment limited obligation bonds, notes payable, capital lease obligations, and unamortized bond premium/discount. During the current fiscal year, the City's total governmental activities debt decreased by \$1.6 million. This decrease was due primarily to scheduled debt payments made during the year offset by a \$118 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 \$13.2 million at September 30, 2015. 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, 2015, debt associated with the City's business-type activities decreased by \$704 thousand. This decrease was due primarily to the scheduled debt payments made during the year. Payments of principal and interest due within one year total \$2.1 million.

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

City of Clinton, Mississippi
Management's Discussion and Analysis
September 30, 2015

City of Clinton General Obligation and Revenue Bonds and Other Loans						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 17,570,764	\$ 18,404,834	\$ 864,235	\$ 905,166	\$ 18,434,999	\$ 19,310,000
Tax increment limited obligation bonds	767,000	946,000	-	-	767,000	946,000
Notes payable	280,000	730,000	12,399,558	13,062,653	12,679,558	13,792,653
Capital lease obligations	749,363	853,680	-	-	749,363	853,680
Unamortized bond premium	235,344	258,879	-	-	235,344	258,879
Total net position	\$ 19,602,471	\$ 21,193,393	\$ 13,263,793	\$ 13,967,819	\$ 32,866,264	\$ 35,161,212

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, 2015</i>	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,371,032	\$ 2,969,455	\$ 7,340,487
Receivables, net	9,273,378	1,474,284	10,747,662
Internal balances	(95,528)	95,528	-
Due from fiduciary fund	406	-	406
Restricted cash and cash equivalents	-	814,947	814,947
Prepaid items	89,810	18,549	108,359
Capital assets:			
Capital assets not being depreciated	8,057,922	3,168,627	11,226,549
Other capital assets, net of depreciation	64,748,274	27,081,120	91,829,394
Total Assets	86,445,294	35,622,510	122,067,804
Deferred Outflows of Resources			
Related to pensions	2,239,408	411,255	2,650,663
Deferred charge on debt refunding	432,862	-	432,862
Total Deferred Outflows	2,672,270	411,255	3,083,525
Liabilities			
Accounts payable	1,346,217	822,262	2,168,479
Accrued interest payable	113,336	25,965	139,301
Claims liability	195,550	-	195,550
Unearned revenue	45,327	-	45,327
Customer deposits	-	696,201	696,201
Long-term debt:			
Due within one year	1,676,688	1,850,785	3,527,473
Due in more than one year	17,925,783	11,413,008	29,338,791
Compensated absences payable:			
Due within one year	361,207	75,216	436,423
Due in more than one year	629,351	96,710	726,061
Net pension obligation	16,483,468	3,275,251	19,758,719
Total Liabilities	38,776,927	18,255,398	57,032,325
Deferred Inflows of Resources			
Related to pensions	507,711	110,590	618,301
Property taxes levied for subsequent year	6,873,666	-	6,873,666
Total Deferred Inflows	7,381,377	110,590	7,491,967
Net Position			
Net investment in capital assets	53,636,587	16,985,954	70,622,541
Restricted for:			
Capital projects	829,858	118,746	948,604
Debt service	1,267,370	-	1,267,370
Law enforcement (restricted by enabling legislation)	112,588	-	112,588
Economic development and tourism (restricted by enabling legislation)	24,980	-	24,980
Unrestricted net position	(12,850,912)	501,866	(12,349,046)
Total Net Position	\$ 43,020,471	\$ 17,606,566	\$ 60,627,037

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Activities

September 30, 2015

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	\$ 1,367,648	\$ 38,450	\$ -	\$ -	\$ (1,329,198)	\$ -	\$ (1,329,198)
Public safety	9,331,276	806,621	329,327	-	(8,195,328)	-	(8,195,328)
Public works	4,724,360	-	-	3,273,045	(1,451,315)	-	(1,451,315)
Culture and recreation	2,192,622	126,729	-	5,619	(2,060,274)	-	(2,060,274)
Economic development	372,428	-	-	-	(372,428)	-	(372,428)
Interest and fiscal charges on long-term debt	647,588	-	-	-	(647,588)	-	(647,588)
Total governmental activities	18,635,922	971,800	329,327	3,278,664	(14,056,131)	-	(14,056,131)
Business-Type Activities:							
Water	2,517,626	3,972,270	-	64,395	-	1,519,039	1,519,039
Sewer	3,694,261	3,331,170	-	144,380	-	(218,711)	(218,711)
Garbage collection	1,741,739	1,650,144	7,373	-	-	(84,222)	(84,222)
Total business-type activities	7,953,626	8,953,584	7,373	208,775	-	1,216,106	1,216,106
Total	\$ 26,589,548	\$ 9,925,384	\$ 336,700	\$ 3,487,439	(14,056,131)	1,216,106	(12,840,025)
General Revenues:							
Taxes:							
Property taxes					8,303,961	-	8,303,961
Local sales tax					124,773	-	124,773
Franchise charges based on gross receipts					843,204	-	843,204
Grants and contributions not restricted to specific programs:							
State grants and shared revenues					5,462,571	-	5,462,571
County shared revenues					90,424	-	90,424
Interest					7,890	9,866	17,756
Gain (loss) on capital asset disposals					602,769	(47,057)	555,712
Miscellaneous					27,986	7,830	35,816
Transfers					1,004,065	(1,004,065)	-
Total General Revenues and Transfers					16,467,643	(1,033,426)	15,434,217
Change in Net Position					2,411,512	182,680	2,594,192
Net Position - Beginning balance as originally reported					54,096,208	20,311,548	74,407,756
Prior period adjustment					(13,487,249)	(2,887,662)	(16,374,911)
Beginning balance as restated					40,608,959	17,423,886	58,032,845
Net Position - Ending					\$ 43,020,471	\$ 17,606,566	\$ 60,627,037

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2015

	General Fund	Hampstead Boulevard Construction Project Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,143,877	\$ 372,274	\$ 1,849,160	\$ 4,365,311
Receivables, net:				
Property taxes	6,004,668	-	1,018,798	7,023,466
Sales and tourism tax	755,396	-	24,237	779,633
City utilities tax	5,975	-	-	5,975
Franchise charges	224,038	-	-	224,038
Federal assistance	80,582	446,911	182,703	710,196
Special assessments	-	-	351,488	351,488
State assistance	2,168	-	-	2,168
Prepaid expenses	87,393	-	2,417	89,810
Due from fiduciary fund	406	-	-	406
Due from other funds	183,213	-	-	183,213
Total Assets	\$ 9,487,716	\$ 819,185	\$ 3,428,803	\$ 13,735,704
Liabilities				
Accounts payable	\$ 634,132	\$ 518,125	\$ 182,750	\$ 1,335,007
Unearned grant revenue	-	-	45,327	45,327
Due to other funds	27,025	-	20,716	47,741
Due to other governments	11,210	-	-	11,210
Total Liabilities	672,367	518,125	248,793	1,439,285
Deferred Inflows of Resources				
Property taxes levied for subsequent year	5,876,329	-	997,336	6,873,665
Unavailable special assessments	-	-	351,488	351,488
Total Deferred Inflows of Resource	5,876,329	-	1,348,824	7,225,153
Fund Balances				
Restricted for:				
Law enforcement	112,588	-	-	112,588
Economic development and tourism	-	-	24,980	24,980
Debt service	-	-	1,267,370	1,267,370
Capital projects	-	301,060	528,798	829,858
Assigned to:				
Debt service	-	-	19,787	19,787
Unassigned	2,826,432	-	(9,749)	2,816,683
Total Fund Balances	2,939,020	301,060	1,831,186	5,071,266
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,487,716	\$ 819,185	\$ 3,428,803	\$ 13,735,704

(Continued)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Balance Sheet - Governmental Funds

September 30, 2015

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

Total Governmental Fund Balances	\$ 5,071,266
Differences:	
Capital assets used in governmental activities are not financial resource and therefore are not reported in the funds.	72,806,196
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	502,335
Interest is not recorded as an expenditure in the funds until the payment date.	(113,336)
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.	(34,911,938)
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.	(334,052)
<hr/>	
Net Position- Governmental Activities	\$ 43,020,471
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(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, 2015

	General Fund	Hampstead Boulevard Construction Project Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 7,107,372	\$ -	\$ 1,196,589	\$ 8,303,961
Licenses and permits	1,073,313	-	-	1,073,313
Intergovernmental	5,648,905	2,271,973	282,798	8,203,676
Charges for services	171,262	-	31,709	202,971
Fines and forfeitures	539,499	-	-	539,499
Special assessments	-	-	27,037	27,037
Interest	3,195	94	4,601	7,890
Contributions	4,604	-	1,665	6,269
Miscellaneous	26,551	-	-	26,551
Total Revenues	14,574,701	2,272,067	1,544,399	18,391,167
Expenditures				
Current:				
General government	1,300,934	-	12,817	1,313,751
Public safety	8,055,670	-	530	8,056,200
Public works	1,312,041	-	-	1,312,041
Culture and recreation	1,435,164	-	129,336	1,564,500
Economic development	284,269	-	85,607	369,876
Debt service	879,568	-	1,459,349	2,338,917
Capital outlay	462,693	2,855,919	281,169	3,599,781
Total Expenditures	13,730,339	2,855,919	1,968,808	18,555,066
Excess (Deficiency) of Revenue Over Expenditures	844,362	(583,852)	(424,409)	(163,899)
Other Financing Sources (Uses)				
Capital lease	117,840	-	-	117,840
Capital asset disposals	259,939	-	-	259,939
Transfers in	152,420	889,750	254,720	1,296,890
Transfers out	(265,972)	-	(26,853)	(292,825)
Total other financing sources	264,227	889,750	227,867	1,381,844
Net Change in Fund Balances	1,108,589	305,898	(196,542)	1,217,945
Fund Balances - Beginning	1,830,431	(4,838)	2,027,728	3,853,321
Fund Balances- Ending	\$ 2,939,020	\$ 301,060	\$ 1,831,186	\$ 5,071,266

(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, 2015

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

Net Change in Fund Balances - Total Governmental Fund Balances	\$ 1,217,945
Differences:	
Governmental funds report capital asset purchases as expenditures.	3,599,781
Governmental funds do not report the receipt of contributed capital assets.	925,617
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.	(4,831,850)
Governmental funds do not report revenue related to long-term receivables until collected because they do not provide current financial resources.	123,810
Governmental funds report debt issuances as other financing sources.	(117,840)
Governmental funds report principal payment on debt as expenditures.	1,704,094
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.	(23,535)
Governmental funds report interest, compensated absences, and pension costs as expenditures when paid while governmental activities report these costs as expenses when incurred.	(211,370)
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.	24,860
Change in Net Position- Governmental Activities	\$ 2,411,512
	(Concluded)

See accompanying notes to the basic financial statements.

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

September 30, 2015

	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	\$ 2,676,797	\$ 292,658	\$ 2,969,455	\$ 5,721
Receivables, net:				
Accounts	1,354,975	-	1,354,975	-
Grants and assistance	45,773	32,444	78,217	-
Special assessments	4,840	-	4,840	-
Claim refunds and reinsurance	-	-	-	25,567
Due from other funds	96,325	237,684	334,009	-
Restricted cash and cash equivalents:				
Customer deposit accounts	696,201	-	696,201	-
Prepaid expenses	17,588	961	18,549	-
Total Current Assets	4,892,499	563,747	5,456,246	31,288
Noncurrent Assets:				
Restricted cash and cash equivalents:				
Construction account	118,746	-	118,746	-
Receivable:				
Special assessments (net of current portion)	36,252	-	36,252	-
	154,998	-	154,998	-
Capital assets:				
Water and sewer systems and other improvements	50,715,767	-	50,715,767	-
Land	168,012	-	168,012	-
Buildings	263,987	-	263,987	-
Equipment and vehicles	2,302,406	562,147	2,864,553	-
Construction in progress	2,200,615	-	2,200,615	-
Certificate of authority	800,000	-	800,000	-
	56,450,787	562,147	57,012,934	-
Less accumulated depreciation	26,285,036	478,151	26,763,187	-
Capital Assets (net)	30,165,751	83,996	30,249,747	-
Total Noncurrent Assets	30,320,749	83,996	30,404,745	-
Total Assets	\$ 35,213,248	\$ 647,743	\$ 35,860,991	\$ 31,288
Deferred Outflows of Resources				
Related to pensions	411,255	-	411,255	-

(Continued)

See accompanying notes to the basic financial statements.

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

September 30, 2015

	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	\$ 667,583	\$ 154,679	\$ 822,262	\$ -
Claims liability	-	-	-	195,550
Accrued interest payable	25,965	-	25,965	-
Due to other funds	238,274	207	238,481	231,000
Compensated absences payable - current	75,216	-	75,216	-
Notes payable - current	1,768,040	-	1,768,040	-
General obligation bonds payable - current	82,745	-	82,745	-
Current Liabilities Payable from Restricted Assets:				
Customer deposit payable	696,201	-	696,201	-
Total Current Liabilities	3,554,024	154,886	3,708,910	426,550
Noncurrent Liabilities:				
Compensated absences payable	96,710	-	96,710	-
General obligation bonds payable	781,490	-	781,490	-
Notes payable	10,631,518	-	10,631,518	-
Net pension obligation	3,275,251	-	3,275,251	-
Total Noncurrent Liabilities	14,784,969	-	14,784,969	-
Total Liabilities	18,338,993	154,886	18,493,879	426,550
Deferred inflows of Resources				
Related to pensions	110,590	-	110,590	-
Net Position				
Net investment in capital assets	16,901,958	83,996	16,985,954	-
Restricted for:				
Capital projects	118,746	-	118,746	-
Unrestricted	154,216	408,861	563,077	(395,262)
Total Net Position	\$ 17,174,920	\$ 492,857	\$ 17,667,777	\$ (395,262)
Reconciliation of Enterprise Funds Net Position to Business-Type Activities Net Position:				
Total Enterprise Fund Net Position				\$ 17,667,777
Differences:				
The internal service fund's net position is included in business-type activities to the extent attributable to business-type activities.				(61,211)
Net Position - Business-Type Activities				\$ 17,606,566
				(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, 2015

	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	\$ 3,572,951	\$ -	\$ 3,572,951	\$ -
Sewer service charges	3,253,813	-	3,253,813	-
Other services and charges	403,321	-	403,321	-
Refuse collection charges	-	1,650,089	1,650,089	-
Federal assistance	-	-	-	-
State assistance	-	7,373	7,373	-
Rents	73,355	-	73,355	-
Premiums	-	-	-	1,440,302
Miscellaneous	-	7,885	7,885	-
Total Operating Revenues	7,303,440	1,665,347	8,968,787	1,440,302
Operating Expenses				
Salaries	1,270,161	84,614	1,354,775	-
Employee benefits	609,149	38,146	647,295	-
Insurance	36,497	1,979	38,476	314,182
Claims expense	-	-	-	1,088,782
Office supplies	12,752	-	12,752	-
Gas and oil	58,857	15,592	74,449	-
Other operating supplies	74,752	-	74,752	-
Outside services	795,240	1,526,471	2,321,711	67,771
Repairs and maintenance	918,522	34,796	953,318	-
Telephone	19,885	-	19,885	-
Postage and printing	41,048	-	41,048	-
Printing	4,458	-	4,458	-
Utilities	477,958	-	477,958	-
Rentals	18,281	-	18,281	-
Depreciation	1,413,127	31,896	1,445,023	-
Pro rata overhead to General Fund	144,000	-	144,000	-
Other	9,597	7,875	17,472	-
Total Operating Expenses	5,904,284	1,741,369	7,645,653	1,470,735
Operating Income (Loss)	1,399,156	(76,022)	1,323,134	(30,433)
Nonoperating Revenues (Expenses)				
Interest income	9,386	480	9,866	48
Loss on sale of capital assets	(47,057)	-	(47,057)	-
Interest and fiscal charges	(302,448)	-	(302,448)	-
Total Nonoperating Revenues (Expenses)	(340,119)	480	(339,639)	48
Income (Loss) Before Capital Contributions and Transfers	1,059,037	(75,542)	983,495	(30,385)
Transfers in	38,105	-	38,105	-
Transfers out	(1,042,170)	-	(1,042,170)	-
Capital Contributions and Grants	208,775	-	208,775	-
Change in Net Position	263,747	(75,542)	188,205	(30,385)
Net Position - Beginning balance as originally reported	19,798,835	568,399	20,367,234	(364,877)
Prior period adjustment	(2,887,662)	-	(2,887,662)	-
Net Position - Beginning balance as restated	16,911,173	568,399	17,479,572	(364,877)
Net Position - Ending	\$ 17,174,920	\$ 492,857	\$ 17,667,777	\$ (395,262)

(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, 2015

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

Change in Net Position - Enterprise Funds \$ 188,205

Differences:

The internal service fund's change in net position is included
in business-type activities to the extent attributable to
business-type activities (5,525)

Change in Net Position - Business-Type Activities \$ 182,680

(Concluded)

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2015

	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	\$ 7,336,267	\$ 1,520,592	\$ 8,856,859	\$ 240,271
Receipts from interfund services	-	-	-	1,170,905
Receipts from reinsurance	-	-	-	28,766
Payments to suppliers	(1,895,807)	(1,480,338)	(3,376,145)	(1,467,892)
Payments to employees	(1,622,948)	(109,964)	(1,732,912)	-
Payments for interfund services	(343,558)	(12,796)	(356,354)	-
Net Cash Provided by (Used In) Operating Activities	3,473,954	(82,506)	3,391,448	(27,950)
Cash Flows From Noncapital Financing Activities				
Operating grants	-	7,373	7,373	-
Repayments from other funds for advances	55,851	207	56,058	-
Repayments to other funds for advances	(34,722)	-	(34,722)	-
Transfer to General Fund	(1,004,065)	-	(1,004,065)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(982,936)	7,580	(975,356)	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(2,672,641)	-	(2,672,641)	-
Proceeds from notes payable	536,929	-	536,929	-
Principal paid on general obligation bonds	(40,931)	-	(40,931)	-
Principal paid on notes payable	(1,208,226)	-	(1,208,226)	-
Interest and fiscal charges paid on debt	(304,598)	-	(304,598)	-
Net Cash Used In Capital and Related Financing Activities	(3,689,467)	-	(3,689,467)	-
Cash Flows From Investing Activities				
Interest received	-	480	480	48
Net Cash Provided by Investing Activities	-	480	480	48
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,198,449)	(74,446)	(1,272,895)	(27,902)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,603,269	367,104	4,970,373	33,623
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,404,820	\$ 292,658	\$ 3,697,478	\$ 5,721

(Continued)

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2015

	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	\$ 2,676,797	\$ 292,658	\$ 2,969,455	\$ 5,721
Restricted cash and cash equivalents:				
Customer deposits cash	696,201	-	696,201	-
Construction account - noncurrent	118,746	-	118,746	-
	\$ 3,491,744	\$ 292,658	\$ 3,784,402	\$ 5,721
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	1,399,156	(76,022)	1,323,134	(30,433)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,413,127	31,896	1,445,023	-
Operating grants	-	(7,373)	(7,373)	-
(Increase) decrease in:				
Accounts receivable	(130,022)	-	(130,022)	-
Claim refunds and reinsurance	-	-	-	-
Due from other funds	55,851	(137,382)	(81,531)	-
Special assessments	2,766	-	2,766	-
Prepaid expenses	(17,588)	(961)	(18,549)	-
Accounts payable	570,649	107,336	677,985	-
Accrued interest	(2,150)	-	(2,150)	-
Claims liability	-	-	-	2,483
Due to other funds	102,660	-	102,660	-
Customer deposits	22,701	-	22,701	-
Compensated absences	56,804	-	56,804	-
Net Cash Provided by (Used in) Operating Activities	\$ 3,473,954	\$ (82,506)	\$ 3,391,448	\$ (27,950)
NON-CASH TRANSACTIONS				
Capital asset contributions received	\$ 208,775	\$ -	\$ 208,775	\$ -

(Concluded)

See accompanying notes to the basic financial statements.

City of Clinton, Mississippi
Statement of Fiduciary Net Position

September 30, 2015

	Unemployment Compensation Benefit Fund
<hr/>	
Assets	
Cash	\$ 41,054
<hr/>	
Liabilities	
Due to other funds	406
<hr/>	
Net Position	
Held in trust for City employees' unemployment benefits	40,648
<hr/>	
Total Net Position	\$ 41,054
<hr/>	

See accompanying notes to the basic financial statements.

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

Year ended September 30, 2015

	Unemployment Compensation Benefit Fund
Additions	
Interest	\$ 55
Deductions	
Unemployment benefits	4,432
Change in net position	(4,377)
Net position - beginning	45,025
Net position - ending	\$ 40,648

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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 PRINCIPLES (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 PRINCIPLES (Continued)

Internal Service Fund

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

Fiduciary Fund (Not included in government-wide statements)

Trust Fund

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

Major and Nonmajor Funds

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

FUND

BRIEF DESCRIPTION

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:

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.

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 PRINCIPLES (Continued)

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
G.O. Refunding Bonds 2013 Bond and Interest Fund (formerly the Hampstead Blvd. 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:	
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.
Pinehaven Drive Construction Project Fund	Accounts for the proceeds of a Federal grant being used for the construction of street improvements.
Train Station Construction Fund	Accounts for the proceeds of a grant from Hinds County to be used for the construction of a train station.
Fire Station #4 Construction Fund	Accounts for the proceeds of a bond issue being used for the construction of a new fire station.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
PROPRIETARY FUND:	
Self-Funded Group Insurance Fund	This internal service fund accounts for the operations of the City's self-insured group medical plan. Funding is provided by premiums collected from City employees and other City funds.
FIDUCIARY FUND:	
Unemployment Compensation Benefit Fund	This employee benefit trust fund accounts for funds required to be held to reimburse the Mississippi Department of Employment Security for payments of City employees' unemployment benefits. State law requires the City to maintain the fund balance at 2% of the first \$6,000 of compensation paid to each employee during the previous calendar year, and the fund balance is not available for other uses by the City.

Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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 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".

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Receivables

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

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

Capital Assets

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

Government-wide Statements

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

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

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 PRINCIPLES (Continued)

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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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 PRINCIPLES (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

Property Tax

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Grant Revenues

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

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Proprietary Fund - 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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Recent GASB Accounting Pronouncements

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

- a. GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015 and addresses accounting and financial reporting issues related to fair value measurements. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.
- b. ASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued in June 2015 to improve the usefulness of information about pensions included in the general purpose financial statements of state and local governments and establishes requirements for defined benefit and defined contribution pensions that are not within the scope of GASB No. 68. It also establishes requirements for the assets accumulated for purposes of providing pensions. The requirements of this Statement that address accounting and financial reporting for pensions not within the scope of GASB No. 68 are effective for financial statements for periods beginning after June 15, 2016. The requirements addressing financial reporting of assets accumulated for purposes of providing pension benefits are effective for fiscal years beginning after June 15, 2015.

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 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

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

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 \$395,262 as of September 30, 2015. 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 for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. At September 30, 2015, 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, 2015</i>	Governmental Activities	Business-Type Activities	Total
Water, sewer and garbage collection charges	\$ -	\$ 1,715,975	\$ 1,715,975
Special assessments:			
Due within one year	27,037	4,840	31,877
Due in more than one year	324,451	128,213	452,664
Property taxes	7,023,466	-	7,023,466
Sales and tourism taxes	779,633	-	779,633
Franchise charges	224,038	-	224,038
Federal assistance	861,043	45,773	906,816
State assistance	2,168	23,444	25,612
Other	31,542	9,000	40,542
	9,273,378	1,927,245	11,200,623
Allowance for uncollectible amounts	-	(452,961)	(452,961)
Net receivables	\$ 9,273,378	\$ 1,474,284	\$ 10,747,662

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

<i>September 30, 2015</i>	Governmental Activities	Business-Type Activities	Total
Property taxes levied for use in the subsequent year	\$ 6,873,665	\$ -	\$ 6,873,665

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 5: CAPITAL ASSETS

Capital asset activity was as follows:

<i>Year ended September 30, 2015</i>	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land:				
Right-of-way	\$ 6,688,120	\$ 44,419	\$ -	\$ 6,732,539
Other land	1,161,905	153,731	-	1,315,636
Construction in progress	378,836	3,131,018	(3,500,107)	9,747
Total not being depreciated	8,228,861	3,329,168	(3,500,107)	8,057,922
Other capital assets:				
Buildings	20,697,570	440,800	(134,468)	21,003,902
Other improvements	10,315,286	19,935	-	10,335,221
Equipment and vehicles	8,764,798	501,006	(99,147)	9,166,657
Infrastructure	77,495,056	4,370,973	-	81,866,029
	117,272,710	5,332,714	(233,615)	122,371,809
Accumulated depreciation:				
Buildings	4,829,743	660,655	(52,299)	5,438,099
Other improvements	6,593,490	322,762	-	6,916,252
Equipment and vehicles	7,139,675	553,264	(99,147)	7,593,792
Infrastructure	34,380,223	3,295,169	-	37,675,392
	52,943,131	4,831,850	(151,446)	57,623,535
Net other capital assets	64,329,579	500,864	(82,169)	64,748,274
Capital assets, net	\$ 72,558,440	\$ 3,830,032	\$ (3,582,276)	\$ 72,806,196

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 5: CAPITAL ASSETS (Continued)

<i>Year ended September 30, 2015</i>	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 177,512	\$ 500	\$ (10,000)	\$ 168,012
Construction in progress	206,018	2,463,178	(468,581)	2,200,615
Certificate of authority	800,000	-	-	800,000
Total not being depreciated	1,183,530	2,463,678	(478,581)	3,168,627
Other capital assets:				
Water and sewer systems and improvements	50,040,156	675,611	-	50,715,767
Buildings	338,927	-	(74,940)	263,987
Equipment and vehicles	2,671,453	210,706	(17,606)	2,864,553
	53,050,536	886,317	(92,546)	53,844,307
Accumulated depreciation:				
Water and sewer systems and improvements	22,910,676	1,306,414	-	24,217,090
Buildings	138,012	11,756	(37,887)	111,881
Equipment and vehicles	2,324,967	126,853	(17,604)	2,434,216
	25,373,655	1,445,023	(55,491)	26,763,187
Net other capital assets	27,676,881	(558,706)	(37,055)	27,081,120
Capital assets, net	\$ 28,860,411	\$ 1,904,972	\$ (515,636)	\$ 30,249,747

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 39,107
Public safety	591,521
Public works	3,379,938
Culture and recreation	820,498
Economic development	786
	\$ 4,831,850
Business-type activities:	
Water	\$ 478,689
Sewer	934,438
Garbage collection	31,896
	\$ 1,445,023

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 from the fiduciary fund as presented in the accompanying Balance Sheet. The composition of interfund balances as of September 30, 2015, was as follows:

Due to	Due From					Total
	General Fund	Water and Sewer Operations Fund	Garbage Collection Fund	Nonmajor Internal Service Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ 590	\$ 207	\$ 161,700	\$ 20,716	\$ 183,213
Water and Sewer Operations Fund	27,025	-	-	69,300	-	96,325
Garbage Collection Fund	-	237,684	-	-	-	237,684
Total	\$ 27,025	\$ 238,274	\$ 207	\$ 231,000	\$ 20,716	\$ 517,222

The Water and Sewer Operations Fund transferred \$889,750 to the Hampstead Boulevard Construction Project Fund in order to provide the estimated funding necessary to complete the project. The remaining interfund transfers were to fund debt service. Interfund transfers during the year ended September 30, 2015, were as follows:

Transfer To	Transfer From			Total
	General Fund	Water and Sewer Operations Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ 152,420	\$ -	\$ 152,420
Hampstead Boulevard Construction Project Fund	-	889,750	-	889,750
Water and Sewer Operations Fund	38,105	-	-	38,105
Nonmajor Governmental Funds	227,867	-	26,853	254,720
Total	\$ 265,972	\$ 1,042,170	\$ 26,853	\$ 1,334,995

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 7: ACCOUNTS PAYABLE

Accounts payable consisted of the following:

<i>September 30, 2015</i>	Governmental Activities	Business- Type Activities	Total
Accounts payable to vendors	\$ 956,843	\$ 822,262	\$ 1,779,105
Cash bonds and evidence held	183,997	-	183,997
Payroll withholdings and employee benefits	205,377	-	205,377
Total	\$ 1,346,217	\$ 822,262	\$ 2,168,479

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, 2015

General Obligation Bonds:

\$3,431,321 portion of Public Improvement—Series 2006 serial bonds due in annual installments of \$155,163 to \$164,030 through July 1, 2016; interest varies from 4.0% to 4.25%.	\$ 164,030
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\$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%.	5,975,000
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\$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%.	3,880,000
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\$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%.	7,551,734
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17,570,764

Tax Increment Limited Obligation Bonds:

\$465,000 Land Improvement — Series 1996 serial bonds due in annual installments of \$40,000 through March 1, 2016; interest varies from 5.6% to 5.7%.	40,000
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\$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%.	460,000
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\$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%.	77,000
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\$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%.	190,000
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767,000

Notes Payable:

\$350,000 negotiable note Series 2014 due in annual installments of \$70,000 through June, 2019; interest at 1.46% payable annually.	280,000
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280,000

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

September 30, 2015

Capital Lease Obligations:

\$117,840 equipment lease; monthly payments of \$3,362, including interest at 1.74%; final payment due October 15, 2018.	\$ 111,453
\$437,082 equipment lease; monthly payments of \$4,402, including interest at 3.89%; final payment due September 15, 2019.	195,404
\$160,836 equipment lease; monthly payments of \$2,814, including interest at 1.93%; final payment due June 25, 2017.	58,064
\$443,110 equipment lease; monthly payments of \$4,207, including interest at 2.65%; final payment due September 15, 2017.	304,305
\$119,420 equipment lease; monthly payments of \$3,385, including interest at 1.32%; final payment due September 15, 2017.	80,137
	<u>749,363</u>
Unamortized bond premium	235,344
Total Governmental Activities Long-Term Debt	\$ 19,602,471

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

September 30, 2015

General Obligation Bonds:

\$438,679 portion of Public Improvement Series 2006 serial bonds due in annual installments of \$19,837 to \$20,970 through July 1, 2016; interest varies from 4% to 4.25%.	\$ 20,970
\$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%.	843,265
	<u>864,235</u>

Notes Payable:

\$10,963,501 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$61,942, including interest at 3%; secured by the City's share of sales tax collected by the State; final payment due November 1, 2021.	4,179,973
\$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.	588,282

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

September 30, 2015

Notes Payable (Continued):

<p>\$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.</p>	\$ 546,296
<p>\$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.</p>	143,590
<p>\$3,719,450 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$19,142, including interest at 2%; secured by the City's share of sales tax collected by the State; final payment due November 1, 2026.</p>	2,297,055
<p>\$1,857,928 loan payable to the Mississippi Department of Health; monthly installments of \$9,585, including interest at 1.95%, secured by the City's share of sales tax collected by the State; final payment due November 1, 2030.</p>	1,509,100
<p>\$2,217,778 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$11,075, including interest at 1.75%, secured by the City's share of sales tax collected by the State; final payment due February 1, 2031.</p>	1,794,545
<p>\$866,717 loan payable to the Mississippi Development Authority; monthly installments of \$4,385, including interest at 2.0%, secured by the City's share of sales tax collected by the State; final payment due February 1, 2032.</p>	735,767
<p>\$1,909,855 maximum loan available from the Mississippi Department of Health; monthly installments of \$9,716, including interest at 1.95%, beginning June, 2015; secured by the City's share of sales tax collected by the State; final payment will be due in February, 2035, if the maximum loan amount is utilized.</p>	254,199
<p>\$3,000,771 maximum loan available from the Mississippi Department of Environmental Quality; monthly installments of \$14,984, including interest at 1.75%, beginning July, 2016; secured by the City's share of sales taxes collected by the State; final payment will be due in April, 2036, if the maximum loan amount is utilized.</p>	350,751
	12,399,558
Total Business-Type Activities Long-Term Debt	\$ 13,263,793

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, 2015, are as follows:

GOVERNMENTAL							
ACTIVITIES:	General Obligation Bonds		Notes Payable		Limited Obligation Bonds		Total
FISCAL YEAR(S)	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 1,222,254	\$ 505,068	\$ 70,000	\$ 4,088	\$ 184,000	\$ 42,932	\$ 2,028,342
2017	1,262,633	466,322	70,000	3,066	149,000	32,885	1,983,906
2018	1,306,126	431,706	70,000	2,044	159,000	24,732	1,993,608
2019	1,236,170	398,248	70,000	1,022	170,000	16,012	1,891,452
2020	1,284,160	363,939	-	-	105,000	6,562	1,759,661
2021-2025	7,384,535	1,223,643	-	-	-	-	8,608,178
2026-2030	3,229,886	322,053	-	-	-	-	3,551,939
2031-2035	645,000	17,944	-	-	-	-	662,944
	<u>\$ 17,570,764</u>	<u>\$ 3,728,923</u>	<u>\$ 280,000</u>	<u>\$ 10,220</u>	<u>\$ 767,000</u>	<u>\$ 123,123</u>	<u>\$ 22,480,030</u>

BUSINESS-TYPE							
ACTIVITIES:	General Obligation Bonds		Notes Payable				Total
FISCAL YEAR(S)	Principal	Interest	Principal	Interest			
2016	\$ 82,745	\$ 18,240	\$ 1,768,040	\$ 268,900			\$ 2,137,925
2017	82,367	15,959	1,193,752	238,238			1,530,316
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	11,223	1,290,912	141,078			1,519,051
2021-2025	440,468	28,931	3,831,513	343,266			4,644,178
2026-2030	25,113	314	1,684,760	85,871			1,796,058
2031-2035	-	-	147,683	1,397			149,080
	<u>\$ 864,235</u>	<u>\$ 101,684</u>	<u>\$ 12,399,558</u>	<u>\$ 1,459,832</u>			<u>\$ 14,825,309</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, 2015, are as follows:

Fiscal Years	Governmental Activities
2016	\$ 218,045
2017	209,602
2018	136,929
2019	103,310
2020	50,481
2021-2025	79,928
Total minimum lease payments	798,295
Less amount representing interest	48,551
Present value of future minimum lease payments	\$ 749,744

The following is an analysis of equipment leased under capital leases as of September 30, 2015:

	Governmental Activities
Equipment cost	\$ 1,678,288
Accumulated depreciation	(865,967)
Carrying value	\$ 812,321

Changes in Long-Term Liabilities

On May 16, 2013, the City issued general obligation refunding bonds Series 2013 totaling \$8,820,000 to refund all of the Series 1998 general obligation bonds and portions of the 2004 Mississippi Development Bank note and the Series 2006 general obligation bonds for a total refunded debt of \$8,230,000. 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 and notes. As a result, the refunded debt is considered defeased and has been removed from the statement of net position. At September 30, 2015, \$2,030,000 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, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
General obligation bonds	\$ 18,404,834	\$ -	\$ (834,070)	\$ 17,570,764	\$ 1,222,254
Notes payable	730,000	-	(450,000)	280,000	70,000
Limited obligation bonds	946,000	-	(179,000)	767,000	184,000
Capital lease obligations	853,680	117,840	(222,157)	749,363	200,434
Unamortized bond premium	258,879	-	(23,535)	235,344	-
	21,193,393	117,840	(1,708,762)	19,602,471	1,676,688
Compensated absences	733,878	528,274	(271,594)	990,558	361,207
Net pension obligation	14,281,820	2,201,648	-	16,483,468	-
	\$ 36,209,091	\$ 2,847,762	\$ (1,980,356)	\$ 37,076,497	\$ 2,037,895
BUSINESS-TYPE ACTIVITIES:					
General obligation bonds	\$ 905,166	\$ -	\$ (40,931)	\$ 864,235	\$ 82,745
Notes payable	13,062,653	545,131	(1,208,226)	12,399,558	1,768,040
	13,967,819	545,131	(1,249,157)	13,263,793	1,850,785
Compensated absences	115,122	132,171	(75,367)	171,926	75,216
Net pension obligation	2,887,662	387,589	-	3,275,251	-
	\$ 16,970,603	\$ 1,064,891	\$ (1,324,524)	\$ 16,710,970	\$ 1,926,001

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, 2015, were as follows:

Governmental activities	\$ 647,588
Business-type activities:	
Water	124,422
Sewer	178,026
	302,448
	\$ 950,036

Revenue Pledged to Secure Debt

The City has pledged its share of general sales tax collected by the State to secure its business-type activities notes payable to the State for various public improvement and utility improvement projects. The City received general sales tax revenue totaling \$4,638,009 for the current year and

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 8: LONG-TERM LIABILITIES (Continued)

made current year principal and interest payments on the notes payable to the State totaling \$1,508,095 which was approximately 32% of the pledged revenue. As of September 30, 2015, the future principal and interest requirements for the notes payable totaled \$13,859,390, 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 \$568,707, and the City also received \$55,348 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 \$231,640 was approximately 98% of the pledged revenues. As of September 30, 2015, the future principal and interest requirements for the bonds totaled \$890,123, and the maturity dates extend through April, 2020.

NOTE 9: LEASE RENTAL REVENUE

The City receives annual lease payments of \$10,100 for industrial plant property. The lease automatically renews every ten years through the year 2067, unless terminated by the lessee. At the end of the lease, the lessee may purchase the property from the City at a reasonable market value at that time (excluding the value of improvements previously made by the lessee). The leased property's remaining undepreciated cost as of September 30, 2015, was as follows:

		Governmental Activities
Property cost	\$	955,000
Accumulated depreciation		(875,900)
Carrying value	\$	79,100

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
2016	\$ 10,100	\$ 94,353
2017	10,100	95,239
2018	10,100	59,026
	\$ 30,300	\$ 248,618

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
2016	\$ 53,140	\$ 14,305
2017	53,140	14,305
2018	51,677	14,305
2019	51,544	14,305
2020	51,544	14,305
2021-2025	242,504	61,925
2026-2030	217,580	51,175
2031-2035	45,120	21,775
2036-2040	-	3,825
2041-2045	-	3,060
Total minimum lease payments	\$ 766,249	\$ 213,285

Rent expense for the year ended September 30, 2015, for all operating leases was as follows:

Governmental activities expenditures	\$ 89,209
Business-type activities expense	18,281
	\$ 107,490

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 \$76,333 to the plan for the year ended September 30, 2015. 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 by 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, 2015, included four active members and 30 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

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

reporting purposes and, as such, the financial statements issued by PERS are included in the State of Mississippi's Comprehensive Annual Financial Report. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Supporting actuarial information for the Cost-Sharing Plan is also provided in the GASB Statement No. 67 Report for the PERS prepared as of June 30, 2015. The auditor's opinion on that report, which includes in an accompanying schedule of collective pension amounts as of June 30, 2015 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 were determined as part of the June 30, 2013, actuarial valuation using the entry age actuarial cost method; employer contributions totaled \$1,170,962 during 2015. During fiscal 2014, the PERS Board of Trustees implemented a revised funding policy aimed at stabilizing the employer contribution rate and thus revised the employer contribution rate to 15.75 percent for 2014 and 2015.

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, 2015, 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, 2015, was determined as part of the June 30, 2013, actuarial valuation using the Ultimate Asset Reserve actuarial cost method. Actual employer contributions totaled \$249,047 during 2015.

Pension Liabilities and Pension Expense

At September 30, 2015, the City reported a liability of approximately \$19,759,000 for its proportionate share of the collective net pension liability of the Cost-Sharing Plan and the net pension liability allocated to CDRF. The net pension liability (NPL) for both plans was measured as

City of Clinton, Mississippi
Notes to Basic Financial Statements

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

of June 30, 2015, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2015. The NPL recorded as of September 30, 2015, and the pension expense recognized by the City for the year ended September 30, 2015, was as follows:

	Cost-Sharing Plan	CDRF	Total
Net pension liability	\$ 18,311,889	\$ 1,446,830	\$ 19,758,719
Net pension expense	\$ 1,673,186	\$ 314,951	\$ 1,988,137

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, 2015 the City's proportion was 0.118462% as compared to its proportion measured at June 30, 2014 of 0.119887%, or a decrease of 0.001425%.

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, 2015</i>			
Service cost	\$ 45,786	\$ -	\$ 45,786
Interest	788,386	-	788,386
Changes of assumptions	229,454		229,454
Difference between expected and actual experience	(99,775)		(99,775)
Employer contributions		249,047	(249,047)
Employee contributions		19,764	(19,764)
Net investment income	-	277,791	(277,791)
Benefit payments, including refunds	(742,236)	(742,236)	-
Administrative expense	-	(4,981)	4,981
Net change	221,615	(200,615)	422,230
Net pension liability, beginning of year	10,225,947	9,201,347	1,024,600
Net pension liability, end of year	\$ 10,447,562	\$ 9,000,732	\$ 1,446,830

The following table presents the City's net pension liabilities calculated using the discount rate of 7.75%, as well as what the System'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	\$ 24,136,747	\$ 18,311,889	\$ 13,478,346
CDRF Plan net pension liability	\$ 2,493,388	\$ 1,446,830	\$ 559,589

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

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

	<u>Cost-Sharing Plan</u>		<u>CDRF</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
<i>September 30, 2015</i>			
Differences between expected and actual experience	\$ 425,434	\$ -	\$ -
Changes of assumptions	1,577,506	-	-
Net difference between projected and actual earnings on investments	-	491,828	351,345
Changes in proportion and differences between employer contributions and proportionate share of contribution	-	126,473	-
Employer contributions subsequent to the measurement date	296,378	-	-
Total	\$ 2,299,318	\$ 618,301	\$ 351,345

Deferred outflows of resources related to the Cost-Sharing Plan resulting from City contributions subsequent to June 30, 2015 (the measurement date) were \$296,378 and will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an addition to (reduction of) pension expense as follows:

	<u>Cost-Sharing Plan</u>		<u>CDRF</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
2016	\$ 764,260	\$ (299,727)	\$ 87,836
2017	746,508	(299,727)	87,836
2018	492,172	(286,707)	87,836
2019	-	267,860	87,837
Total	\$ 2,002,940	\$ (618,301)	\$ 351,345

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 expense)	7.75%	7.75%
Projected salary increases, including inflation	3.75% - 19.00%	4.50% - 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

City of Clinton, Mississippi
Notes to Basic Financial Statements

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: PRIOR PERIOD ADJUSTMENT

As of October 1, 2014, the City adopted Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* (collectively “GASB No. 68”). As part of the implementation of GASB No. 68, the City recognized its share of the net pension liability relating to its pension plans and reported this liability and the related deferred outflows and deferred inflows in its financial statements.

As a result, the net position of the City including governmental activities and business-type activities as previously reported at September 30, 2014 was restated as follows:

	As Previously Reported	Prior Period Adjustment	As Restated
Investment in capital assets	\$ 67,095,658	\$ -	\$ 67,095,658
Restricted for:			
Capital projects and debt service	1,382,723	-	1,382,723
Other purposes	163,610	-	163,610
Unrestricted net position (deficit)	5,765,765	(16,374,911)	(10,609,146)
Total net position	\$ 74,407,756	\$ (16,374,911)	\$ 58,032,845

NOTE 13: 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 2015, 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, 2016, 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 14: 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 15: 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, 2015.

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

Employees of the City are covered by the City's medical and dental self-insurance plan (the "plan"). The City contributed approximately \$507 per month per employee to the plan, and employees had the option of authorizing payroll withholdings to fund contributions for spouses and dependents. Claims are paid by a third party administrator acting on behalf of the City.

The City's medical self-insurance plan 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, 2015) is approximately \$1,387,000, while the previous policy year had an aggregate stop-loss coverage attachment point of approximately \$1,436,000. 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

City of Clinton, Mississippi
Notes to Basic Financial Statements

NOTE 15: RISK MANAGEMENT (Continued)

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>Year Ended September 30,</i>	2015	2014
Claims liability, October 1	\$ 193,067	\$ 224,961
Current year claims	1,060,016	1,021,979
Claims paid in current year	(1,057,533)	(1,053,873)
Claims liability, September 30	\$ 195,550	\$ 193,067

NOTE 16: SUBSEQUENT EVENTS

The City has evaluated subsequent events through May 23, 2016, which is the date the financial statements were available to be issued.

The City refunded \$5,265,000 of bonds related to the Quisenberry Library Bond and Interest Fund during April of 2016. The City also issued \$1,800,000 in general obligation bonds related to the new fire station during May of 2016.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the year ended September 30, 2015

City's proportion of the net pension liability	\$ 18,311,889
City's proportionate share of the net pension liability	0.1185%
City's covered-employee payroll	\$ 7,434,679
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	15.68%
Plan fiduciary net position as a percentage of the total pension liability	61.70%

City of Clinton, Mississippi
Schedule of Required Supplementary Information
Schedule of the City's Contributions – CDRF Plan
Last Ten Years Ended September 30, 2015

<i>Years Ended September 30,</i>	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$1,170,962	\$1,154,387	\$1,056,164	\$928,832	\$868,269	\$821,056	\$830,745	\$788,685	\$770,913	\$705,940
Contributions in relation to the contractually required contribution	1,170,962	1,154,287	1,056,164	928,832	868,269	821,056	830,745	788,685	770,913	705,940
Contribution deficiency (excess)	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$7,434,679	\$7,329,441	\$6,705,803	\$6,513,548	\$7,235,575	\$6,842,133	\$6,922,875	\$6,655,696	\$6,505,594	\$6,566,893
Contributions as a percentage of the covered-employee payroll	15.75%	15.75%	15.75%	14.26%	12.00%	12.00%	12.00%	11.85%	11.85%	10.75%



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 – CDRF 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 the Public Employees' Retirement System of Mississippi (PERS) to total actual contributions as of and for the year ended June 30, 2015. 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, 2015.

NOTE 2: SCHEDULE OF THE CITY'S CONTRIBUTIONS – CDRF 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 and used again in fiscal year 2015.

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

Year ending June 30, 2015

<hr/>	
Total Pension Liability	
Service cost	\$ 45,786
Interest	788,386
Differences between expected and actual experience	(99,775)
Changes of assumptions	229,454
Benefit payments, including refunds of employee contributions	(742,236)
<hr/>	
Net change in total pension liability	221,615
Total pension liability - beginning	10,225,947
<hr/>	
Total pension liability - ending (a)	\$ 10,447,562
<hr/>	

Plan fiduciary net position	
Contributions - employer	\$ 249,047
Contributions - member	19,764
Net investment income	277,791
Benefit payments, including refunds of employee contributions	(742,236)
Administrative expense	(4,981)
<hr/>	

Net change in plan fiduciary net position	(200,615)
Plan net position - beginning	9,201,347
<hr/>	

Plan net position - ending (b)	\$ 9,000,732
<hr/>	

Net pension liability - ending (a) - (b)	\$ 1,446,830
--	--------------

Plan fiduciary net position as a percentage of the total pension liability	86.15%
--	--------

Covered-employee payroll*	N/A
---------------------------	-----

Net pension liability (asset) as a percentage of covered-employee payroll*	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 - MRS Plan

<i>Year ending June 30,</i>	2015
<hr/>	
Actuarially determined contribution*	\$ 249,047
Contributions in relation to the actuarially determined contribution*	249,047
<hr/>	
Contribution deficiency (excess)	\$ -
<hr/>	
Covered-employee payroll*	N/A
Contributions as a percentage of covered-employee payroll	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, 2015 were based on the June 30, 2013 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, 2015

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
AVAILABLE				
Licenses and permits	\$ 1,040,000	\$ 1,078,006	\$ 1,067,367	\$ (10,639)
State grants	225,000	282,678	298,395	15,717
State shared revenues	4,645,500	4,971,269	4,976,270	5,001
Local grants	30,000	157,992	163,604	5,612
Federal grants	-	98,000	193,271	95,271
Charges for services	112,360	112,360	114,858	2,498
Fines and forfeitures	391,000	381,000	539,499	158,499
Interest earned	-	-	3,195	3,195
Miscellaneous	350,000	602,399	609,338	6,939
Total receipts, other than taxes	6,793,860	7,683,704	7,965,797	282,093
Beginning fund balance	279,082	737,805	737,805	-
Total available, other than taxes	7,072,942	8,421,509	8,703,602	282,093
Ad valorem taxes to be provided by levy	7,182,149	7,098,597	7,104,781	6,184
Total Available From All Sources	\$ 14,255,091	\$ 15,520,106	\$ 15,808,383	\$ 288,277
EXPENDITURES				
General government:				
Elected officials:				
Personal services	\$ 311,485	\$ 291,436	\$ 285,758	\$ (5,678)
Supplies	3,150	3,150	2,469	(681)
Other services and charges	56,969	82,729	73,568	(9,161)
Total elected officials	371,604	377,315	361,795	(15,520)
Court services:				
Personal services	202,597	210,434	209,432	(1,002)
Supplies	3,500	4,300	4,035	(265)
Other services and charges	65,957	70,990	68,217	(2,773)
Total court services	272,054	285,724	281,684	(4,040)
Administration:				
Personal services	329,155	332,818	331,978	(840)
Supplies	7,400	15,201	14,895	(306)
Other services and charges	301,877	307,791	230,393	(77,398)
Capital outlay	-	4,400	2,220	(2,180)
Total administration	638,432	660,210	579,486	(80,724)
Community development:				
Personal services	200,327	192,102	172,053	(20,049)
Supplies	27,700	28,242	19,417	(8,825)
Other services and charges	33,429	40,419	39,663	(756)
Capital outlay	-	10,100	9,000	(1,100)
Total community development	261,456	270,863	240,133	(30,730)
Total General Government	1,543,546	1,594,112	1,463,098	(131,014)

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis, (See Note A)	Variance with Final Budget- Over (Under)
EXPENDITURES (Continued)				
Public safety:				
Law enforcement:				
Personal services	3,905,279	3,859,218	3,806,663	(52,555)
Supplies	397,700	402,018	389,500	(12,518)
Other services and charges	324,405	387,799	381,545	(6,254)
Capital outlay	116,000	244,200	238,914	(5,286)
Debt service	95,902	95,902	89,961	(5,941)
Total law enforcement	4,839,286	4,989,137	4,906,583	(82,554)
Fire protection:				
Personal services	3,175,892	3,141,396	3,076,710	(64,686)
Supplies	119,000	133,000	130,275	(2,725)
Other services and charges	207,376	207,027	204,374	(2,653)
Capital outlay	-	152,420	152,420	-
Debt service	148,637	153,047	152,844	(203)
Total fire protection	3,650,905	3,786,890	3,716,623	(70,267)
Inspection:				
Personal services	63,111	62,018	61,911	(107)
Supplies	11,510	10,052	3,365	(6,687)
Other services and charges	13,927	13,959	8,695	(5,264)
Capital outlay	-	14,000	9,800	(4,200)
Total inspection	88,548	100,029	83,771	(16,258)
Total Public Safety	8,578,739	8,876,056	8,706,977	(169,079)
Street:				
Personal services	613,436	602,291	529,281	(73,010)
Supplies	151,650	151,650	146,534	(5,116)
Other services and charges	656,275	694,788	684,394	(10,394)
Debt service	103,497	103,497	102,437	(1,060)
Total Street	1,524,858	1,552,226	1,462,646	(89,580)
Parks and recreation:				
Personal services	724,569	678,222	607,965	(70,257)
Supplies	200,750	185,000	168,104	(16,896)
Other services and charges	688,326	312,041	309,888	(2,153)
Capital outlay	-	57,000	56,589	(411)
Debt service	106,007	536,636	534,326	(2,310)
Total Parks and Recreation	1,719,652	1,768,899	1,676,872	(92,027)

(Continued)

City of Clinton, Mississippi
Budgetary Comparison Schedule - General Fund

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	
	<u>Original</u>	<u>Final</u>	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	23,000	22,521	(479)
Other services and charges	36,731	34,788	34,444	(344)
Capital outlay	-	211,700	211,375	(325)
Total City buildings	56,731	269,488	268,340	(1,148)
Therapeutic recreation:				
Personal services	-	47,877	47,833	(44)
Supplies	-	15,450	5,687	(9,763)
Other services and charges	-	13,461	11,460	(2,001)
Total Communications	-	76,788	64,980	(11,808)
Communications:				
Personal services	40,694	41,648	38,365	(3,283)
Supplies	800	1,400	461	(939)
Other services and charges	110,446	127,069	126,349	(720)
Total Communications	151,940	170,117	165,175	(4,942)
Main Street:				
Personal services	104,665	107,970	107,784	(186)
Supplies	2,250	2,250	1,287	(963)
Other services and charges	9,873	11,879	10,233	(1,646)
Total Main Street	116,788	122,099	119,304	(2,795)
Transfers and other charges	372,518	355,623	112,968	(242,655)
Total expenditures	14,084,772	14,805,408	14,060,360	(745,048)
Ending fund balance	170,319	714,698	1,748,023	1,033,325
Total Expenditures and Ending Fund Balance	\$ 14,255,091	\$ 15,520,106	\$ 15,808,383	\$ 288,277

(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	\$ 15,808,383
Differences:	
GAAP basis receivables are reflected as budgetary basis available in the year received	192,520
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing sources are included in budgetary basis available	(530,199)
Beginning fund balance is included in budgetary basis available	(737,805)
<hr/>	
Revenues - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,588,899
<hr/>	
Expenditures - Budgetary Comparison Schedule	\$ 14,060,360
Differences:	
GAAP basis receivables 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	79,951
Overhead reimbursements from other funds are included in budgetary basis available	(144,000)
Other financing uses are included in budgetary basis available	(265,972)
<hr/>	
Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 13,730,339
<hr/>	
Other Financing Sources (Uses) - Budgetary Comparison Schedule	\$ -
Differences:	
Other financing sources are included in budgetary basis available	530,199
Other financing uses are included in budgetary basis expenditures	(265,972)
<hr/>	
Other Financing Sources (Uses) - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 264,227
<hr/>	

OTHER SUPPLEMENTARY INFORMATION

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

September 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 79,282	\$ 1,269,045	\$ 500,833	\$ 1,849,160
Receivables:				
Property taxes	-	1,018,798	-	1,018,798
Tourism tax	24,237	-	-	24,237
Federal assistance	-	-	182,703	182,703
Special assessments	-	351,488	-	351,488
Prepaid expenses	2,417	-	-	2,417
Total Assets	\$ 105,936	\$ 2,639,331	\$ 683,536	\$ 3,428,803
Liabilities				
Accounts payable	\$ 27,402	\$ 3,350	\$ 151,998	\$ 182,750
Due to other funds	10,916	-	9,800	20,716
Unearned grant revenue	42,638	-	2,689	45,327
Total Liabilities	80,956	3,350	164,487	248,793
Deferred Inflows of Resources				
Property taxes levied for subsequent year	-	997,336	-	997,336
Unavailable special assessments	-	351,488	-	351,488
Total Deferred Inflows of Resources	-	1,348,824	-	1,348,824
Fund Balances				
Restricted for:				
Economic development and tourism	24,980	-	-	24,980
Debt service	-	1,267,370	-	1,267,370
Capital projects	-	-	528,798	528,798
Assigned to:				
Debt service	-	19,787	-	19,787
Unassigned	-	-	(9,749)	(9,749)
Total Fund Balances	24,980	1,287,157	519,049	1,831,186
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 105,936	\$ 2,639,331	\$ 683,536	\$ 3,428,803

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

Year ended September 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 1,196,589	\$ -	\$ 1,196,589
Intergovernmental	125,233	82,110	75,455	282,798
Charges for services	31,709	-	-	31,709
Special assessments	-	27,037	-	27,037
Interest	132	3,812	657	4,601
Contributions	1,665	-	-	1,665
Total Revenues	158,739	1,309,548	76,112	1,544,399
Expenditures				
Current:				
General government	-	12,817	-	12,817
Public safety	530	-	-	530
Culture and recreation	129,336	-	-	129,336
Economic development	85,607	-	-	85,607
Debt service	-	1,459,349	-	1,459,349
Capital outlay	8,842	-	272,327	281,169
Total Expenditures	224,315	1,472,166	272,327	1,968,808
Deficiency of Revenue Over Expenditures	(65,576)	(162,618)	(196,215)	(424,409)
Other Financing Sources (Uses)				
Transfers in	-	254,720	-	254,720
Transfers out	-	(26,853)	-	(26,853)
Total other financing sources	-	227,867	-	227,867
Net Change in Fund Balances	(65,576)	65,249	(196,215)	(196,542)
Fund Balances - Beginning	90,556	1,221,908	715,264	2,027,728
Fund Balances- Ending	\$ 24,980	\$ 1,287,157	\$ 519,049	\$ 1,831,186

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

September 30, 2015

	Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	\$ 25,750	\$ 53,532	\$ 79,282
Tourism tax receivable	24,237	-	24,237
Prepaid expenses	2,417	-	2,417
Total Assets	\$ 52,404	\$ 53,532	\$ 105,936
Liabilities			
Accounts payable	\$ 27,402	\$ -	\$ 27,402
Due to other funds	22	10,894	10,916
Unearned grant revenue	-	42,638	42,638
Total Liabilities	27,424	53,532	80,956
Fund Balances (Deficit)			
Restricted for:			
Economic development and tourism	24,980	-	24,980
Total Fund Balances (Deficit)	24,980	-	24,980
Total Liabilities and Fund Balances	\$ 52,404	\$ 53,532	\$ 105,936

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

Year ended September 30, 2015

	Tourism Tax Fund	Special Law Enforcement Fund	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental:			
Tourism tax	\$ 124,773	\$ -	\$ 124,773
Federal grants	-	460	460
	124,773	460	125,233
Charges for services	31,709	-	31,709
Interest	62	70	132
Contributions	1,665	-	1,665
Total Revenues	158,209	530	158,739
Expenditures			
Public Safety:			
Other services and charges	-	530	530
Culture and Recreation:			
Personal services	63,642	-	63,642
Supplies	32,584	-	32,584
Other services and charges	33,110	-	33,110
	129,336	-	129,336
Economic Development:			
Other services and charges	85,607	-	85,607
Capital outlay	8,842	-	8,842
Total Expenditures	223,785	530	224,315
Deficiency of Revenue Over Expenditures	(65,576)	-	(65,576)
Fund Balances - Beginning	90,556	-	90,556
Fund Balances (Deficit)- Ending	\$ 24,980	\$ -	\$ 24,980

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

<i>September 30, 2015</i>	G.O. Series 2013 Bond and Interest 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	\$ -	\$ 532,367	\$ 226,686	\$ 489,155	\$ 433	\$ 10,775	\$ 2,342	\$ 7,287	\$1,269,045
Property taxes receivable	-	267,393	253,849	497,556	-	-	-	-	1,018,798
Special assessments	-	-	351,488	-	-	-	-	-	351,488
Total Assets	\$ -	\$ 799,760	\$ 832,023	\$ 986,711	\$ 433	\$ 10,775	\$ 2,342	\$ 7,287	\$2,639,331
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 2,300	\$ -	\$ -	\$ -	\$ 1,050	\$ 3,350
Total Liabilities	-	-	-	2,300	-	-	-	1,050	3,350
Deferred Inflows of Resources:									
Property taxes levied for subsequent year	-	261,759	248,506	487,071	-	-	-	-	997,336
Unavailable special assessments	-	-	351,488	-	-	-	-	-	351,488
Total Deferred Inflows of Resources	-	261,759	599,994	487,071	-	-	-	-	1,348,824
Fund Balances:									
Restricted for debt service	-	538,001	232,029	497,340	-	-	-	-	1,267,370
Assigned to debt service	-	-	-	-	433	10,775	2,342	6,237	19,787
Total Fund Balances	-	538,001	232,029	497,340	433	10,775	2,342	6,237	1,287,157
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 799,760	\$ 832,023	\$ 986,711	\$ 433	\$ 10,775	\$ 2,342	\$ 7,287	\$2,639,331

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

<i>Year ended September 30, 2015</i>	G.O. Series 2013 Bond and Interest 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	\$ -	\$ 314,354	\$ 294,604	\$ 587,631	\$ -	\$ -	\$ -	\$ -	\$ 1,196,589
Intergovernmental:									
State grants	-	7,024	6,668	13,070	-	-	-	-	26,762
County shared revenues	-	-	-	-	20,348	35,000	-	-	55,348
	-	7,024	6,668	13,070	20,348	35,000	-	-	82,110
Special assessments	-	-	27,037	-	-	-	-	-	27,037
Interest	-	764	1,968	1,050	-	17	4	9	3,812
Total Revenues	-	322,142	330,277	601,751	20,348	35,017	4	9	1,309,548
Expenditures:									
General government:									
Other services and charges	-	3,391	2,875	6,551	-	-	-	-	12,817
Debt service	75,181	269,698	296,258	584,584	44,958	108,260	23,080	57,330	1,459,349
Total Expenditures	75,181	273,089	299,133	591,135	44,958	108,260	23,080	57,330	1,472,166
Excess (Deficiency) of Revenues over Expenditures	(75,181)	49,053	31,144	10,616	(24,610)	(73,243)	(23,076)	(57,321)	(162,618)
Other Financing Sources (Uses):									
Transfers in	75,181	-	-	-	24,819	74,260	23,080	57,380	254,720
Transfers out	-	(7,048)	(6,691)	(13,114)	-	-	-	-	(26,853)
Total Other Financing Sources (Uses)	75,181	(7,048)	(6,691)	(13,114)	24,819	74,260	23,080	57,380	227,867
Net Change in Fund Balances	-	42,005	24,453	(2,498)	209	1,017	4	59	65,249
Fund Balances - Beginning	-	495,996	207,576	499,838	224	9,758	2,338	6,178	1,221,908
Fund Balances - Ending	\$ -	\$ 538,001	\$ 232,029	\$ 497,340	\$ 433	\$ 10,775	\$ 2,342	\$ 6,237	\$ 1,287,157

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

September 30, 2015

	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Infrastructure Construction Fund	Train Station Construction Fund	Fire Station #4 Construction Fund	Total Nonmajor Capital Projects Funds
Assets						
Cash and cash equivalents	\$ 348,630	\$ 52,324	\$ 99,828	\$ -	\$ 51	\$ 500,833
Federal assistance	102,565	9,335	-	-	-	111,900
Total Assets	\$ 451,195	\$ 61,659	\$ 99,828	\$ -	\$ 51	\$ 612,733
Liabilities						
Accounts payable	\$ 21,061	\$ 130,937	\$ -	\$ -	\$ -	\$ 151,998
Due to other funds	-	-	-	1,000	8,800	9,800
Unearned grant revenue	-	6,971	-	-	-	6,971
Total Liabilities	21,061	137,908	-	1,000	8,800	168,769
Fund Balances (Deficit)						
Restricted for capital projects	430,134	(76,249)	99,828	-	-	453,713
Unassigned	-	-	-	(1,000)	(8,749)	(9,749)
Total Fund Balances (Deficit)	430,134	(76,249)	99,828	(1,000)	(8,749)	443,964
Total Liabilities and Fund Balances (Deficit)	\$ 451,195	\$ 61,659	\$ 99,828	\$ -	\$ 51	\$ 612,733

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

Year ended September 30, 2015

	Pinehaven Drive Construction Project Fund	Arrow Drive Construction Project Fund	Infrastructure Construction Fund	Train Station Construction Fund	Fire Station #4 Construction Fund	Total Nonmajor Capital Projects Funds
Revenues:						
Intergovernmental:						
Local grants	\$ -	\$ 370	\$ -	\$ -	\$ -	\$ 370
	-	370	-	-	-	370
Interest	463	70	124	-	-	657
Total Revenues	463	440	124	-	-	1,027
Expenditures:						
Capital outlay	130,895	131,683	-	1,000	8,749	272,327
Total Expenditures	130,895	131,683	-	1,000	8,749	272,327
Excess (Deficiency) of Revenues over Expenditures	(130,432)	(131,243)	124	(1,000)	(8,749)	(271,300)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(130,432)	(131,243)	124	(1,000)	(8,749)	(271,300)
Fund Balances - Beginning	560,566	54,994	99,704	-	-	715,264
Fund Balance (Deficit) - Ending	\$ 430,134	\$ (76,249)	\$ 99,828	\$ (1,000)	\$ (8,749)	\$ 443,964

City of Clinton, Mississippi
Tourism Tax Fund
Budgetary Comparison Schedule

Year ended September 30, 2015

	<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	\$ 123,805	\$ (46,195)
Interest earned	-	-	62	62
Rental income	100	100	551	451
Donations - private sources	-	-	1,015	1,015
Sales	27,000	27,000	30,516	3,516
Total receipts, other than taxes	197,100	197,100	155,949	(41,151)
Beginning fund balance	47,082	67,287	67,287	-
Total Available From All Sources	\$ 244,182	\$ 264,387	\$ 223,236	\$ (41,151)
<u>EXPENDITURES</u>				
Visitor center:				
Personal services	\$ 61,454	\$ 63,921	\$ 63,642	\$ (279)
Supplies:				
Costs of sales	16,000	23,500	22,236	(1,264)
Other	11,900	11,900	10,348	(1,552)
Other services and charges	33,936	33,953	31,819	(2,134)
Capital outlay	-	8,900	8,842	(58)
Total visitor center	123,290	142,174	136,887	(5,287)
Tourism promotion:				
Other services and charges	85,305	85,655	85,606	(49)
Total expenditures	208,595	227,829	222,493	(5,336)
Ending fund balance	35,587	36,558	743	(35,815)
Total Expenditures and Ending Fund Balance	\$ 244,182	\$ 264,387	\$ 223,236	\$ (41,151)

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Asset forfeitures:				
U.S. Justice Department	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Local	5,000	5,000	-	(5,000)
Interest earned	-	-	70	70
Total receipts	10,000	10,000	70	(9,930)
Beginning fund balance	51,527	43,098	43,098	-
Total Available From All Sources	\$ 61,527	\$ 53,098	\$ 43,168	\$ (9,930)
<u>EXPENDITURES</u>				
Supplies	12,000	12,000	530	(11,470)
Total expenditures	12,000	12,000	530	(11,470)
Ending fund balance	49,527	41,098	42,638	1,540
Total Expenditures and Ending Fund Balance	\$ 61,527	\$ 53,098	\$ 43,168	\$ 1,540

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 75,082	\$ 75,182	\$ 75,181	\$ (1)
Total receipts	75,082	75,182	75,181	(1)
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ 75,082	\$ 75,182	\$ 75,181	\$ (1)
<u>EXPENDITURES</u>				
Debt service	\$ 75,082	\$ 75,182	\$ 75,181	\$ (1)
Total expenditures	75,082	75,182	75,181	(1)
Ending fund balance	-	-	-	-
Total Expenditures and Ending Fund Balance	\$ 75,082	\$ 75,182	\$ 75,181	\$ (1)

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 7,024	\$ 7,024
Interest earned	-	-	764	764
Total receipts other than taxes	-	-	7,788	7,788
Beginning fund balance	489,953	490,053	490,053	-
Total available, other than taxes	489,953	490,053	497,841	7,788
Ad valorem taxes to be provided by levy	309,335	309,335	314,663	5,328
Total Available From All Sources	\$ 799,288	\$ 799,388	\$ 812,504	\$ 13,116
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,624	\$ 3,624	\$ 3,391	\$ (233)
Debt service	271,833	271,833	269,698	(2,135)
Transfers to other funds	7,048	7,048	7,048	-
Total expenditures	282,505	282,505	280,137	(2,368)
Ending fund balance	516,783	516,883	532,367	15,484
Total Expenditures and Ending Fund Balance	\$ 799,288	\$ 799,388	\$ 812,504	\$ 13,116

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 6,668	\$ 6,668
Interest earned	-	-	75	75
Special assessments	28,930	28,930	28,930	-
Total receipts other than taxes	28,930	28,930	35,673	6,743
Beginning fund balance	166,648	206,786	206,786	-
Total available, other than taxes	195,578	235,716	242,459	6,743
Ad valorem taxes to be provided by levy	293,674	293,674	291,901	(1,773)
Total Available From All Sources	\$ 489,252	\$ 529,390	\$ 534,360	\$ 4,970
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,440	\$ 3,440	\$ 2,875	\$ (565)
Debt service	307,684	307,684	298,108	(9,576)
Transfers to other funds	6,691	6,691	6,691	-
Total expenditures	317,815	317,815	307,674	(10,141)
Ending fund balance	171,437	211,575	226,686	15,111
Total Expenditures and Ending Fund Balance	\$ 489,252	\$ 529,390	\$ 534,360	\$ 4,970

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 13,070	\$ 13,070
Interest earned	-	-	1,050	1,050
Total receipts other than taxes	-	-	14,120	14,120
Beginning fund balance	482,811	488,991	488,991	-
Total available, other than taxes	482,811	488,991	503,111	14,120
Ad valorem taxes to be provided by levy	575,598	575,598	590,293	14,695
Total Available From All Sources	\$ 1,058,409	\$ 1,064,589	\$ 1,093,404	\$ 28,815
<u>EXPENDITURES</u>				
Other services and charges	\$ 6,742	\$ 6,742	\$ 6,551	\$ (191)
Debt service	586,284	586,884	586,884	-
Transfers to other funds	13,114	13,114	13,114	-
Total expenditures	606,140	606,740	606,549	(191)
Ending fund balance	452,269	457,849	486,855	29,006
Total Expenditures and Ending Fund Balance	\$ 1,058,409	\$ 1,064,589	\$ 1,093,404	\$ 28,815

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 24,819	\$ 24,819	\$ 24,819	\$ -
Receipt from Hinds County	20,201	20,201	20,348	147
Total receipts	45,020	45,020	45,167	147
Beginning fund balance	230	224	224	-
Total Available From All Sources	\$ 45,250	\$ 45,244	\$ 45,391	\$ 147
<u>EXPENDITURES</u>				
Debt service	\$ 45,020	\$ 45,020	\$ 44,958	\$ (62)
Total expenditures	45,020	45,020	44,958	(62)
Ending fund balance	230	224	433	209
Total Expenditures and Ending Fund Balance	\$ 45,250	\$ 45,244	\$ 45,391	\$ 147

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 74,259	\$ 74,259	\$ 74,260	\$ 1
Receipt from Hinds County	35,000	35,000	35,000	-
Interest earned	-	-	17	17
Total receipts	109,259	109,259	109,277	18
Beginning fund balance	8,743	9,758	9,758	-
Total Available From All Sources	\$ 118,002	\$ 119,017	\$ 119,035	\$ 18
<u>EXPENDITURES</u>				
Debt service	\$ 109,260	\$ 109,260	\$ 108,260	\$ (1,000)
Total expenditures	109,260	109,260	108,260	(1,000)
Ending fund balance	8,742	9,757	10,775	1,018
Total Expenditures and Ending Fund Balance	\$ 118,002	\$ 119,017	\$ 119,035	\$ 18

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 23,080	\$ 23,080	\$ 23,080	\$ -
Interest earned	-	-	4	4
Total receipts	23,080	23,080	23,084	4
Beginning fund balance	2,331	2,338	2,338	-
Total Available From All Sources	\$ 25,411	\$ 25,418	\$ 25,422	\$ 4
<u>EXPENDITURES</u>				
Debt service	\$ 23,080	\$ 23,080	\$ 23,080	\$ -
Total expenditures	23,080	23,080	23,080	-
Ending fund balance	2,331	2,338	2,342	4
Total Expenditures and Ending Fund Balance	\$ 25,411	\$ 25,418	\$ 25,422	\$ 4

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

Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Transfers from other funds	\$ 57,377	\$ 57,377	\$ 57,380	\$ 3
Interest earned	-	-	9	9
Total receipts	57,377	57,377	57,389	12
Beginning fund balance	7,169	7,228	7,228	-
Total Available From All Sources	\$ 64,546	\$ 64,605	\$ 64,617	\$ 12
<u>EXPENDITURES</u>				
Debt service	\$ 57,380	\$ 58,380	\$ 58,380	\$ -
Total expenditures	57,380	58,380	58,380	-
Ending fund balance	7,166	6,225	6,237	12
Total Expenditures and Ending Fund Balance	\$ 64,546	\$ 64,605	\$ 64,617	\$ 12

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ 2,798,400	\$ 2,798,400	\$ 1,825,062	\$ (973,338)
Transfers from other funds	889,750	889,750	889,750	-
Interest earned	-	-	94	94
Total receipts	3,688,150	3,688,150	2,714,906	(973,244)
Beginning fund balance	61,242	(1,808)	(1,808)	-
Total Available From All Sources	\$ 3,749,392	\$ 3,686,342	\$ 2,713,098	\$ (973,244)
<u>EXPENDITURES</u>				
Capital outlay	\$ 3,688,150	\$ 3,688,150	\$ 2,855,919	\$ (832,231)
Total expenditures	3,688,150	3,688,150	2,855,919	(832,231)
Ending fund balance	61,242	(1,808)	(142,821)	(141,013)
Total Expenditures and Ending Fund Balance	\$ 3,749,392	\$ 3,686,342	\$ 2,713,098	\$ (973,244)

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 380	\$ 370	\$ (10)
Interest earned	-	50	70	20
Total receipts	-	430	440	10
Beginning fund balance	66,951	64,361	64,361	-
Total Available From All Sources	\$ 66,951	\$ 64,791	\$ 64,801	\$ 10
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 132,400	\$ 131,683	\$ (717)
Total expenditures	-	132,400	131,683	(717)
Ending fund balance	66,951	(67,609)	(66,882)	727
Total Expenditures and Ending Fund Balance	\$ 66,951	\$ 64,791	\$ 64,801	\$ 10

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 261,862	\$ 261,862	\$ -
Interest earned	-	300	463	163
Total receipts	-	262,162	262,325	163
Beginning fund balance	219,974	219,974	219,974	-
Total Available From All Sources	\$ 219,974	\$ 482,136	\$ 482,299	\$ 163
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 134,300	\$ 133,669	\$ (631)
Total expenditures	-	134,300	133,669	(631)
Ending fund balance	219,974	347,836	348,630	794
Total Expenditures and Ending Fund Balance	\$ 219,974	\$ 482,136	\$ 482,299	\$ 163

City of Clinton, Mississippi
Infrastructure Construction Fund
Budgetary Comparison Schedule

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	
	Original	Final	Budgetary	Final Budget-	Over (Under)
			Basis		
<u>AVAILABLE</u>					
Interest earned	\$ -	\$ 100	\$ 124	\$ 24	
Total receipts	-	100	124		24
Beginning fund balance	99,804	99,704	99,704		-
Total Available From All Sources	\$ 99,804	\$ 99,804	\$ 99,828	\$ 24	
<u>EXPENDITURES</u>					
Capital outlay	\$ -	\$ -	\$ -	\$ -	
Total expenditures	-	-	-		-
Ending fund balance	99,804	99,804	99,828		24
Total Expenditures and Ending Fund					
Balance	\$ 99,804	\$ 99,804	\$ 99,828	\$ 24	

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ -	\$ -
Total receipts	-	-	-	-
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 1,000	\$ 1,000	\$ -
Total expenditures	-	1,000	1,000	-
Ending fund balance	-	(1,000)	(1,000)	-
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

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

Year ended September 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ -	\$ -	\$ -
Total receipts	-	-	-	-
Beginning fund balance	-	-	-	-
Total Available From All Sources	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 8,800	\$ 8,749	\$ (51)
Total expenditures	-	8,800	8,749	(51)
Ending fund balance	-	(8,800)	(8,749)	51
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

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

September 30, 2015

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 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
Mike Warren	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, 2015

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	878,486
Passed Through Mississippi Department of Environmental Quality:			
Capitalization Grants for Clean Water SRF	66.468	SRF-C280-805-05-0	825,783
Total Environmental Protection Agency			1,704,269
U.S. DEPARTMENT OF JUSTICE			
Direct:			
Bulletproof Vest Partnership Program	16.607	N/A	5,121
Federal Equitable Sharing Program	16.922	MS0250300	530
Passed Through Mississippi Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12LB2061	(41)
	16.738	13LB2061	3,750
Total U.S. Department of Justice			9,360
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Mississippi Department of Transportation:			
Highway Planning and Construction	20.205	STPD-7357-00(001) 106212-701000	71,173
Highway Planning and Construction	20.205	STPD-7365-00(001) LPA/105562-701000	2,271,973
			2,343,146
Passed Through Mississippi Department of Public Safety:			
State and Community Highway Safety	20.600	15-PT-206-1	53,570
State and Community Highway Safety	20.600	15-ST-206-1	53,431
			107,001
Total U.S. Department of Transportation			2,450,147
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Mississippi Department of Public Safety:			
Homeland Security Grant Program	97.067	13LE147	11,124
Homeland Security Grant Program	97.067	14LE147	75,000
Homeland Security Grant Program	97.067	S11LE147	18,500
Homeland Security Grant Program	97.067	S13LE147	39,900
Homeland Security Grant Program	97.067	S14LE147	20,000
Total U.S. Department of Homeland Security			164,524
Grand Total - All Programs			\$ 4,328,300

Note: The schedule of expenditures of federal awards is presented on the accrual basis of accounting using the economic resources measurement focus.

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.	100 - 104
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.	105 - 108
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.	109 - 113
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.	114 - 115
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.	116 - 118

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 30,967,159
Restricted for:										
Capital projects	829,858	-	-	26,029	16,933	-	-	-	-	-
Debt Service	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	104,783
Law enforcement	112,588	73,054	89,018	-	-	-	-	-	-	-
Economic development	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,497	106,481
Unrestricted	(12,850,912)	526,122	123,361	(901,591)	(1,197,481)	(838,537)	(1,068,211)	(1,236,329)	(1,078,133)	99,488
Total governmental activities net position	\$ 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	\$ 31,277,911
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 11,414,089
Restricted for:										
Capital projects	118,746	179,313	419,390	550,786	586,224	711,851	705,560	724,163	707,078	709,116
Debt Service	-	-	-	249,630	259,852	262,504	251,896	148,252	153,187	153,507
Unrestricted	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	1,204,940
Total business-type activities net position	\$ 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	\$ 13,481,652
Primary Government										
Net investment in capital assets	\$ 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	\$ 42,381,248
Restricted for:										
Capital projects	948,604	179,313	419,390	576,815	603,157	711,851	705,560	724,163	707,078	709,116
Debt Service	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	258,290
Law enforcement	112,588	73,054	89,018	-	-	-	-	-	-	-
Economic development	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,497	106,481
Unrestricted	(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	1,304,428
Total primary government net position	\$ 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	\$ 44,759,563

Note: 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 2 - Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
General government	\$ 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	\$ 1,205,826
Public safety	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	7,080,151
Public works	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	3,452,165
Culture and recreation	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	1,676,823
Economic development	372,428	254,612	328,725	290,713	317,747	316,451	344,131	234,758	837,315	135,868
Interest and fiscal charges on long-term debt	647,588	671,638	1,075,879	920,626	845,542	887,988	928,450	685,012	686,384	611,831
Total governmental activities expenses	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	14,162,664
Business-type activities										
Water	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	2,471,655
Sewer	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	2,974,735
Total water and sewer	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	5,446,390
Garbage collection	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	1,157,350
Total business-type activities expenses	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	6,603,740
Total primary government expenses	\$ 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	\$ 20,766,404
Program Revenue										
Governmental activities										
Charges for services:										
General government	\$ 38,450	\$ 50,401	\$ 52,397	\$ 40,940	\$ 41,758	\$ 42,062	\$ 43,106	\$ 41,853	\$ 53,398	\$ 66,944
Public safety	806,621	712,236	768,265	569,110	689,661	611,768	606,184	728,753	615,543	644,333
Public works	-	-	-	-	-	-	-	-	2,701	-
Culture and recreation	126,729	120,400	143,935	123,022	118,597	71,602	70,769	92,264	74,883	73,856
Operating grants and contributions	329,327	451,170	173,575	233,216	344,057	227,641	415,524	186,256	371,603	232,944
Capital grants and contributions	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	4,272,198
Total governmental activities program revenue	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	5,290,275
Business-type activities										
Charges for services:										
Water	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	2,595,539
Sewer	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	2,014,796
Total water and sewer	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	4,610,335
Garbage collection	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	1,326,743
Operating grants and contributions	7,373	81,417	22,682	61,892	303,942	-	-	-	111,419	83,090
Capital grants and contributions	208,775	155,769	-	64,815	131,557	2,087,111	-	267,973	312,490	376,928
Total business-type activities program revenue	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	6,397,096
Total primary government program revenue	\$ 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	\$ 11,687,371

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (8,872,389)
Business-type activities	1,216,106	919,635	261,624	444,309	716,694	3,181,769	601,194	461,873	425,435	(206,644)
Total primary government net expense	\$ (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)	\$ (9,079,033)
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 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	\$ 6,140,450
Local sales tax	124,773	167,178	158,961	128,001	113,260	112,078	125,381	118,467	103,974	109,364
Franchise charges based on gross receipts	843,204	795,429	705,228	656,554	689,366	725,911	731,354	791,583	716,451	856,104
Grants and contributions										
State grants and shared revenues	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	4,694,966
County shared revenues	90,424	108,231	96,441	97,758	90,628	89,995	96,706	89,871	70,215	69,465
Interest	7,890	6,949	11,828	31,831	19,115	109,541	237,136	125,437	181,607	104,738
Gain on capital assets disposals	602,769	104,100	412,136	-	-	-	-	-	-	-
Miscellaneous	27,986	30,418	22,613	46,073	46,664	131,349	94,067	13,673	12,644	6,642
Transfers	1,004,065	-	1,000,000	-	-	-	-	-	(190,381)	878,160
Total governmental activities	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	12,859,889
Business-type activities										
Interest	9,866	10,759	16,009	32,765	22,217	117,071	94,625	151,627	123,259	53,658
Gain (loss) on capital asset disposals	(47,057)	-	-	-	-	-	-	-	-	-
Miscellaneous	7,830	-	-	-	-	18,970	-	28,966	10,714	-
Transfers	(1,004,065)	-	(1,000,000)	-	-	-	-	-	190,381	(878,160)
Total business-type activities	(1,033,426)	10,759	(983,991)	32,765	22,217	136,041	94,625	180,593	324,354	(824,502)
Total primary government	\$ 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	\$ 12,035,387
Change in Net Position										
Governmental activities	\$ 2,411,512	\$ 1,493,655	\$ 3,047,499	\$ (1,837,590)	\$ (2,367,857)	\$ 853,563	\$ (788,028)	\$ 132,297	\$ 222,664	\$ 3,987,500
Business-type activities	182,680	930,394	(722,367)	477,074	738,911	3,317,810	695,819	642,466	749,789	(1,031,146)
Total primary government	\$ 2,594,192	\$ 2,424,049	\$ 2,325,132	\$ (1,360,516)	\$ (1,628,946)	\$ 4,171,373	\$ (92,209)	\$ 774,763	\$ 972,453	\$ 2,956,354

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

The City began to segregate water and sewer activates in the fiscal year 2006.

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted for:										
Law enforcement	\$ 112,588	\$ 73,054	\$ 76,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	162,348	-	-	-	-	-	-
Unassigned	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	2,163,452
Total general fund	\$ 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	\$ 2,163,452
All Other Governmental Funds										
Restricted for:										
Law enforcement	\$ -	\$ -	\$ 12,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	24,980	90,556	72,839	107,018	91,237	116,124	132,199	160,920	142,467	106,481
Debt service	1,267,370	1,203,410	1,130,499	1,044,012	756,744	708,931	629,709	546,891	42,144	122,054
Capital projects	829,858	356,264	732,516	3,227,712	643,441	805,077	2,637,480	8,217,203	876,115	2,454,395
Assigned to debt service	19,787	18,498	18,242	16,695	12,090	12,011	9,477	4,536	3,402	3,049
Assigned to capital projects	-	359,000	-	-	-	-	-	-	-	-
Unassigned	(9,749)	(4,838)	(780)	-	(445)	(1,068)	(15,133)	(81,507)	(140,658)	(133,011)
Total all other governmental funds	\$ 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	\$ 2,552,968

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Property taxes	\$ 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	\$ 6,140,451
Licenses and permits	1,073,313	1,025,674	1,095,100	843,774	888,612	845,985	833,155	926,357	858,179	1,038,820
Intergovernmental	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	7,949,043
Charges for services	202,971	185,396	184,178	148,943	133,960	93,350	87,574	122,907	117,205	87,287
Fines and forfeitures	539,499	453,272	385,796	396,278	510,870	508,806	521,252	597,229	469,583	481,673
Special assessments	27,037	27,037	27,039	27,037	27,037	27,037	27,037	-	-	-
Interest	7,890	6,951	11,833	31,833	19,111	109,542	237,135	125,436	181,606	104,738
Contributions	6,269	22,555	157,022	46,382	110,262	37,175	26,844	170,301	74,521	10,363
Miscellaneous	26,551	44,542	27,365	29,158	45,377	63,023	264,221	179,466	184,570	235,656
Total revenues	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	16,048,031
Expenditures										
General government	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	1,259,455
Public safety	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	6,678,961
Public works	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	1,766,389
Culture and recreation	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	1,116,715
Economic development	369,876	254,021	326,897	291,672	315,093	314,068	345,591	231,360	381,262	147,232
Debt service:										
Principal	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	1,058,352
Interest and fiscal charges	634,823	680,275	1,142,841	875,459	849,642	897,861	947,420	767,730	284,171	792,319
Capital outlay	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	8,987,111
Total expenditures	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	21,806,534
Excess of revenues over (under) expenditures	(163,899)	(482,150)	(3,666,813)	(2,100,126)	(383,695)	(3,551,422)	(5,760,448)	(388,143)	(2,959,733)	(5,758,503)
Other Financing Sources (Uses)										
Refunding bond issues	\$ -	\$ -	\$ 7,934,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on refunding bonds issued	-	-	305,949	-	-	-	-	-	-	-
Payments to refunded debt escrow agents	-	-	(7,970,796)	-	-	-	-	-	-	-
Capital lease proceeds	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	-	-	-	4,250,000	-	-	-	8,000,000	485,000	3,870,000
Operating transfers in	1,296,890	543,507	1,185,651	642,286	176,794	176,709	179,256	640,068	830,291	1,335,930
Operating transfers out	(292,825)	(543,507)	(185,651)	(642,286)	(176,794)	(176,709)	(179,256)	(640,068)	(970,427)	(457,770)
Total other financing sources (uses)	1,381,844	573,520	1,732,979	5,022,877	154,123	2,246,825	187,257	8,166,970	344,864	4,748,160
Net change in fund balance	\$ 1,217,945	\$ 91,370	\$ (1,933,834)	\$ 2,922,751	\$ (229,572)	\$ (1,304,597)	\$ (5,573,191)	\$ 7,778,827	\$ (2,614,869)	\$ (1,010,343)
Debt service as a percentage of noncapital expenditures	15.6%	15.0%	16.6%	14.6%	16.4%	17.4%	16.4%	13.1%	11.3%	14.4%

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
2015	\$ 85,457,043	\$ 63,907,277	\$ 14,768,174	\$ 50,056,456	\$ 15,761,145	\$ 198,427,805	41.19	\$ 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
2006	63,525,005	46,639,628	16,710,810	47,487,431	11,782,303	162,580,571	38.74	1,098,054,710

(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 7 - Principal Property Tax Payers
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
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
2006	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
Current Year and Ten Years Ago

Name of Taxpayer	2014 Assessed Property Value	Rank	Percentage of Total Assessed Valuation	2004 Assessed Property Value	Rank	Percentage of Total Assessed Valuation
Entergy	\$ 10,641,609	1	6.56%	\$ 9,222,302	1	8.69%
SC Clinton MS LLC	2,485,084	2	1.53%	-		0.00%
Reserve at Woodchase	2,167,791	3	1.34%	1,777,817	5	1.67%
Wal-Mart Stores	1,733,101	4	1.07%	1,667,357	6	1.57%
BellSouth	1,605,731	5	0.99%	2,005,847	5	1.89%
Clinton Assisted Living	1,212,527	6	0.75%	1,058,122	7	1.00%
Delphi Automotive Systems	1,185,119	7	0.73%	2,745,251	3	2.59%
Home Depot, USA	977,394	8	0.60%	-		0.00%
CA New Plan Venture	861,047	9	0.53%	-		0.00%
Windsor Village Apartments of Clinton	601,721	10	0.37%	-		0.00%
MCI, Inc.	-		0.00%	3,427,383	2	3.23%
United Artists Theatre Circuit	-		0.00%	485,843	9	0.46%
Gulf States Cannery	-		0.00%	469,321	10	0.44%
Leon V Ghetti	-		0.00%	760,482	8	0.72%
Total taxable assessed value of ten largest taxpayers	23,471,124		14.47%	23,619,725		22.25%
Total taxable assessed value of remaining taxpayers	138,691,830		85.53%	82,534,632		77.75%
Total taxable assessed value of all taxpayers	\$ 162,162,954		100.00%	\$ 106,154,357		100.00%

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
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%
2006	5,794,159	5,559,586	96.0%	40,931	5,600,517	96.7%

(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			
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
2006	5,195,000	1,554,000	8,357,834	1,010,958	1,515,000	820,946	15,811,793	304,235	34,569,766	3.48%	1,309

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
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
2006 *	26,400	1,098,054,710	6,710,000	85,701	6,624,299	0.60%	251

* 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, 2015

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Clinton (1)	Amount Applicable to City of Clinton
Overlapping:			
Clinton Separate School District	\$ 41,174,996	85.8% (1)	\$ 35,328,147
Hinds County	37,255,000	11.5% (1)	4,284,325
			39,612,472
Direct:			
City of Clinton	19,602,852 *	100.0%	19,602,852
Total Direct and Overlapping Debt			\$59,215,324

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
AUTHORIZED DEBT LIMIT 15% RULE										
Assessed value of taxable property	\$ 214,189	\$ 213,800	\$ 213,153	\$ 203,470	\$ 204,056	\$ 203,912	\$ 202,111	\$ 170,593	\$ 170,055	\$ 174,363
Debt limitation - 15% of net assess value	\$ 32,128	\$ 32,070	\$ 31,973	\$ 30,521	\$ 30,608	\$ 30,587	\$ 30,317	\$ 25,589	\$ 25,508	\$ 26,154
Less - subject indebtedness:										
General obligation bond	17,571	18,405	19,175	13,889	10,061	10,760	11,424	12,054	4,415	5,195
Legal debt margin under 15 percent rule	\$ 14,557	\$ 13,665	\$ 12,798	\$ 16,632	\$ 20,547	\$ 19,827	\$ 18,893	\$ 13,535	\$ 21,093	\$ 20,959
AUTHORIZED DEBT LIMIT 20% RULE										
Assessed value of taxable property	\$ 214,189	\$ 213,800	\$ 213,153	\$ 203,470	\$ 204,056	\$ 203,912	\$ 202,111	\$ 170,593	\$ 170,055	\$ 174,363
Debt limitation - 20% of net assess value	\$ 42,838	\$ 42,760	\$ 42,631	\$ 40,694	\$ 40,811	\$ 40,782	\$ 40,422	\$ 34,119	\$ 34,011	\$ 34,873
Less - subject indebtedness:										
General obligation bond	18,435	19,310	20,120	13,889	10,061	10,760	11,424	12,054	4,415	5,195
Other	1,030	1,204	954	1,264	788	942	849	976	1,084	1,315
Legal debt margin under 20 percent rule	\$ 23,373	\$ 22,246	\$ 21,557	\$ 25,541	\$ 29,962	\$ 29,080	\$ 28,149	\$ 21,089	\$ 28,512	\$ 28,363
Total net debt applicable to the limit as a percentage of debt limit 15% rule	54.69%	57.39%	59.97%	45.51%	32.87%	35.18%	37.68%	47.11%	17.31%	19.86%
Total net debt applicable to the limit as a percentage of debt limit 20% rule	45.44%	47.97%	49.43%	37.24%	26.58%	28.69%	30.36%	38.19%	16.17%	18.67%

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 at 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 to 2013 a General Obligation Refunding Bond for \$8,820.000 was issued.

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

In 2012 a General Obligation Bond for 54,250.000 was issued for infrastructure improvements to 2013 a General Obligation Refunding Bond for \$8,820.000 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	Increment Property Taxes Collected (2)	Debt Service		Coverage	Sales Tax (3)	Debt Service		Coverage
				Principal	Interest			Principal	Interest			Principal	Interest	
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	260	7	0.00	234	168	62	1.02	4,446	1,588	353	2.29
2013	6,547	4,762	1,785	120	18	6.69	234	162	70	1.01	4,358	1,593	613	1.98
2012	6,506	4,582	1,924	115	25	13.94	237	152	78	1.03	4,497	1,578	656	2.01
2011	6,375	4,395	1,980	105	31	14.14	230	141	86	1.01	4,065	1,382	644	2.01
2010	6,310	3,844	2,466	100	37	18.13	233	136	92	1.02	4,078	1,263	663	2.12
2009	5,985	4,077	1,908	95	42	13.93	235	136	101	0.99	4,205	1,211	704	2.20
2008	5,769	4,217	1,552	90	47	11.33	230	120	106	1.02	4,305	1,062	741	2.39
2007	5,341	4,127	1,214	85	51	8.86	165	79	86	1.00	4,152	897	730	2.55
2006	4,638	4,111	527	85	55	3.88	169	78	91	1.00	4,017	726	881	2.50

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)
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%
2006 *	26,400	33,579	886,485,600	33.1	14.1	4,859	5.0%

(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	2015		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
MCI/Skytel	-	0.00%	1,148	8.21%
Delphi Corporation	-	0.00%	1,135	8.12%
Clinton Public School District	700	5.16%	600	4.29%
Wal-Mart SuperCenter	526	3.88%	500	3.58%
Mississippi College	720	5.31%	450	3.22%
City of Clinton	207	1.53%	201	1.44%
Kroger	223	1.64%	130	0.93%
Winn-Dixie Stores, Inc.	-	0.00%	110	0.79%
Verizon	500	3.69%	-	0.00%
AKZO Noble Coatings,	129	0.95%	-	0.00%
Reznick Insurance	123	0.91%	-	0.00%
Home Depot	109	0.80%	-	0.00%
University Physicians	282	2.08%	-	0.00%
Lockheed Martin	106	0.78%	-	0.00%
MS Department of Revenue	500	3.69%	-	0.00%
University of Mississippi Medical Center	250	1.84%	-	0.00%
Taylor Power Systems	125	0.92%	-	0.00%
Total	4,500	33.19%	4,274	30.57%

Source: City of Clinton Economic Development Department

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

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>	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government										
Mayor and Aldermen	9	9	9	9	9	9	9	9	9	9
Administration	5	5	6	5	5	4	5	6	7	7
Court	5	5	5	5	5	4	3	3	3	3
Planning/Zoning and Inspections	4	4	5	5	5	5	5	4	4	4
Police										
Officers	51	45	44	47	45	48	48	48	50	52
Civilians	17	17	15	17	17	14	14	14	14	15
Fire										
Firefighters	49	46	42	43	47	47	45	47	45	45
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Street	15	14	24	24	25	25	26	24	25	23
Water	16	14	19	19	18	18	18	19	18	20
Wastewater	17	15	11	11	11	11	11	11	11	14
Parks and Recreation	14	15	19	18	15	19	19	17	15	16
Therapeutic Recreation	1	-	-	-	-	-	-	-	-	-
Mainstreet	2	1	1	1	1	1	1	1	1	-
Economic Development	-	-	-	1	1	1	1	-	-	-
Communications	1	1	-	-	-	-	-	-	-	-
Total	207	192	201	206	205	207	206	204	203	209

Source: City Clerk Office

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function/Program										
General government										
Building permits issued	508	609	564	827	840	70	73	97	112	162
Police										
Physical arrests	1,446	1,599	1,231	1,155	1,522	1,564	1,203	1,240	1,647	1,451
Parking violations	29	42	237	216	602	196	259	683	2,898	3,706
Traffic violations	5,027	5,138	3,844	4,221	5,697	7,200	5,152	5,260	613	317
Fire										
Emergency responses	2,492	2,328	2,291	2,144	1,604	2,030	2,082	2,065	1,884	1,918
Fires extinguished	49	65	76	69	99	75	70	87	103	-
Inspections	253	229	241	252	280	255	250	438	300	40
Water										
New connections	164	146	131	121	98	60	80	154	168	162
Total connections	9,617	9,539	9,057	8,926	8,805	8,819	8,731	8,644	8,867	8,908
Average daily consumption (millions of gallons)	3.1	2.9	3.0	3.7	3.5	3.4	3.3	3.3	3.3	3.5
Peak daily consumption (millions of gallons)	3.8	3.6	3.7	3.9	3.8	3.6	3.6	4.1	4.1	4.7
Wastewater										
Total connections	8,507	8,469	8,432	7,859	7,859	7,859	7,840	7,763	8,851	8,088
Average daily consumption (millions of gallons)	3.2	3.0	3.1	3.5	3.3	3.1	3.1	2.6	2.6	3.2
Peak daily consumption (millions of gallons)	6.8	6.3	6.9	8.9	8.9	8.8	8.6	10.1	10.1	10.3

* 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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Function/Program</u>										
Police										
Stations	2	1	1	1	1	1	1	1	1	1
Patrol units	51	47	44	37	37	37	34	30	33	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	160
Streetlights	2,479	2,462	2,447	2,437	2,415	2,396	2,382	2,382	2,362	2,346
Traffic signals	28	28	27	26	26	26	26	26	23	22
Water										
Miles of water mains	159	159	158	157	157	157	156	156	156	101
Number of hydrants	1,478	1,474	1,461	1,451	1,442	1,443	1,443	1,439	1,425	1,364
Wastewater										
Miles of sanitary sewers	108	108	107	106	106	106	106	106	105	83
Miles of storm sewers	86	87	86	85	85	85	85	85	84	74
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	4
Acreage	210	210	210	210	210	210	210	210	210	189
Playgrounds	5	5	5	5	5	5	5	5	5	4
Baseball/Softball diamonds	13	13	14	14	14	14	14	14	14	14
Soccer fields	11	11	11	11	11	11	11	11	10	9
Tennis courts	8	12	10	10	10	10	10	10	9	9
Basketball courts	3	3	3	3	3	3	3	3	3	3
Volleyball courts	2	2	2	2	2	2	2	2	2	-
Community Centers	1	2	1	1	1	1	1	1	1	1
Walking trails	5	5	6	6	6	6	6	6	5	4

Source: Various city departments

INDEPENDENT AUDITORS' REPORTS ON
INTERNAL CONTROL AND COMPLIANCE



Carr Riggs & Ingram, LLC
282 Commerce Park Drive
Ridgeland, Mississippi 39157

Mailing Address:
P.O. Box 2418
Ridgeland, Mississippi 39158-2418

(601) 853-7050
(601) 853-9331 (fax)
www.cricpa.com

**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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 23, 2016.

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
May 23, 2016



Carr Riggs & Ingram, LLC
282 Commerce Park Drive
Ridgeland, Mississippi 39157

Mailing Address:
P.O. Box 2418
Ridgeland, Mississippi 39158-2418

(601) 853-7050
(601) 853-9331 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2015. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
May 23, 2016



Carr Riggs & Ingram, LLC
282 Commerce Park Drive
Ridgeland, Mississippi 39157

Mailing Address:
P.O. Box 2418
Ridgeland, Mississippi 39158-2418

(601) 853-7050
(601) 853-9331 (fax)
www.cricpa.com

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 23, 2016.

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
May 23, 2016

City of Clinton, Mississippi
Schedule of Findings and Questioned Costs

For the year ended September 30, 2015

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 Circular A-133, Section .510(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?	No

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, 2015

No audit findings related to federal awards were reported in the audit of the year ended September 30, 2014.