

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.



# **City of Clinton, Mississippi**

## **ANNUAL FINANCIAL STATEMENTS**

**September 30, 2021**



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## **FINANCIAL SECTION**



# REPORT



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Mississippi (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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.

### **Auditor's 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 auditor's 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the defined benefit pension plan information on pages 63 through 70, and the budgetary comparison information on pages 71 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basis financial statements.

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi  
April 21, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

Our discussion and analysis of the financial performance of the City of Clinton, Mississippi (the "City") provides an overview of the City's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements that begin on page 14.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities presented on pages 14 and 15 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 16 and tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statement by providing information about the City's most significant funds. Fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

**Reporting the City as a Whole**

**The Statement of Net Position and the Statement of Activities**

Our analysis of the total City begins on page 7. One of the most important questions asked about the City's finances is "Is the City, as a whole, in better or worse condition as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities to assist in answering this question. These statements include all assets, liabilities, and deferred inflows and outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All current year's revenues and expenses are taken into account, regardless of when cash is received or spent.

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

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

- **Government activities:** Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, economic development and general administration. Property taxes, sales tax, licenses and permits, fines, and state and federal grants finance most of these activities.
- **Business-type activities:** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems and garbage collection are reported here.

## **Reporting the City's Funds**

### **Fund Financial Statements**

Our analysis of the City's funds begins on page 10. The fund financial statements begin on page 16 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 American Rescue Plan 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 16 through 19 of this report.

**Proprietary funds:** The City maintains two different types of proprietary funds. Enterprise funds, a component of proprietary funds, are used to report the same functions presented as "business-type" activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and garbage collection funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses this type fund for its self-funded group insurance fund.

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 20 through 25 of this report.

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**Reporting the City's Funds (Continued)**

**Fiduciary fund:** A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City's only fiduciary fund is the Unemployment Compensation Benefit Fund, which is reported on a full accrual basis. The fiduciary fund financial statements can be found on pages 26 and 27 of this report.

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**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, 2021, total net position was approximately \$56.5 million.

City of Clinton Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 16,899,296	\$ 14,639,443	\$ 11,847,607	\$ 11,501,741	\$ 28,746,903	\$ 26,141,184
Capital assets	62,417,782	63,632,704	29,732,105	30,907,104	92,149,887	94,539,808
Total assets	79,317,078	78,272,147	41,579,712	42,408,845	120,896,790	120,680,992
Deferred outflows of resources	2,125,378	2,041,811	454,478	360,905	2,579,856	2,402,716
Long-term liabilities	33,173,208	41,571,826	12,391,760	15,199,286	45,564,968	56,771,112
Other liabilities	2,605,168	2,638,074	806,850	593,324	3,412,018	3,231,398
Total liabilities	35,778,376	44,209,900	13,198,610	15,792,610	48,976,986	60,002,510
Deferred inflows of resources	16,798,251	7,092,760	1,234,250	-	18,032,501	7,092,760
Net position:						
Net investment in capital assets	48,733,874	47,906,537	21,585,004	21,073,077	70,318,878	68,979,614
Restricted	2,049,564	2,167,442	212,329	157,645	2,261,893	2,325,087
Unrestricted	(21,917,609)	(21,076,391)	5,803,997	5,760,128	(16,113,612)	(15,316,263)
Total net position	\$ 28,865,829	\$ 28,997,588	\$ 27,601,330	\$ 26,990,850	\$ 56,467,159	\$ 55,988,438

The largest portion of the City's net position, \$70.3 million, reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and water and sewer systems), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the related debt.

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**THE CITY AS A WHOLE (Continued)**

City of Clinton Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Changes for services	\$ 1,167,257	\$ 1,522,222	\$ 11,213,389	\$ 10,643,401	\$ 12,380,646	\$ 12,165,623
Operating grants and contributions	637,713	301,631	-	-	637,713	301,631
Capital grants and contributions	651,388	449,522	39,018	-	690,406	449,522
General revenues:						
Property taxes	9,071,047	9,659,064	-	-	9,071,047	9,659,064
Sales taxes	5,899,906	5,520,404	-	-	5,899,906	5,520,404
Franchise charges	756,294	712,701	-	-	756,294	712,701
Shared grants and revenues	2,956,003	2,651,635	17,950	39,667	2,973,953	2,691,302
Other	147,236	198,928	157,167	256,865	304,403	455,793
<b>Total revenues</b>	<b>21,286,844</b>	<b>21,016,107</b>	<b>11,427,524</b>	<b>10,939,933</b>	<b>32,714,368</b>	<b>31,956,040</b>
<b>Expenses:</b>						
General government	1,564,130	1,527,577	-	-	1,564,130	1,527,577
Public safety	11,012,847	13,250,620	-	-	11,012,847	13,250,620
Public works	4,883,480	4,654,140	-	-	4,883,480	4,654,140
Culture and recreation	2,918,178	2,620,011	-	-	2,918,178	2,620,011
Economic development	712,631	744,711	-	-	712,631	744,711
Interest on long-term debt	375,597	431,455	-	-	375,597	431,455
Water and sewer	-	-	8,591,428	8,803,909	8,591,428	8,803,909
Garbage	-	-	2,177,356	1,946,777	2,177,356	1,946,777
<b>Total expenses</b>	<b>21,466,863</b>	<b>23,228,514</b>	<b>10,768,784</b>	<b>10,750,686</b>	<b>32,235,647</b>	<b>33,979,200</b>
Change in net position before transfers	(180,019)	(2,212,407)	658,740	189,247	478,721	(2,023,160)
Transfers in (out)	48,260	57,759	(48,260)	(57,759)	-	-
<b>Change in net position</b>	<b>(131,759)</b>	<b>(2,154,648)</b>	<b>610,480</b>	<b>131,488</b>	<b>478,721</b>	<b>(2,023,160)</b>
Net position, beginning of year	28,997,588	31,152,236	26,990,850	26,859,362	55,988,438	58,011,598
<b>Total net position</b>	<b>\$ 28,865,829</b>	<b>\$ 28,997,588</b>	<b>\$ 27,601,330</b>	<b>\$ 26,990,850</b>	<b>\$ 56,467,159</b>	<b>\$ 55,988,438</b>

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**THE CITY AS A WHOLE (Continued)**

At September 30, 2021, 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 2021 by \$841 thousand. This increase resulted primarily from an increase in deferred inflows of resources, from unearned revenue, and pension liabilities. The increase in the unrestricted net position for business-type activities in 2021 is a result of the City's continued efforts to pay down the water and sewer fund's long-term debt. The City's total net position increased \$479 thousand during the current fiscal year primarily as a result of the increases in deferred inflows of resources offset by the City's efforts to pay down the water and sewer fund's long-term debt.

**Governmental activities.** Governmental activities decreased the City's net position by \$132 thousand during the year. The increase in operating grants and contributions was primarily due to a MEMA Grant for COVID-19 expenses, the increase in sales tax was primarily due to an improving economy in which citizens purchased more goods and services than the previous year, the increase in shared revenues was due to money received from the State of Mississippi for infrastructure improvements, and the decrease in property taxes was due to a three (3) mill reduction for these taxes. These increases in revenue were primarily offset by increases in public works and culture and recreation expenses for street improvements and improvements made to the City's parks. The decrease in public safety expenses was primarily due to a decrease in pension expense.

**Business-type activities.** Business-type activities increased the City's net position by \$610 thousand during the year. This increase was primarily due to water and sewer revenue increases in 2021 being higher than expected in the water and sewer department. Increases in revenue were primarily offset by increases to maintenance and upkeep of the water and sewer system infrastructure. Garbage expenditures increased by \$231 thousand in 2021 as a result of increases in the customer base.



**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**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.

	<b>Beginning Fund Balance</b>	<b>Increase (Decrease)</b>	<b>Ending Fund Balance</b>
General fund	\$ 1,792,787	\$ 213,183	\$ 2,005,970
Special revenue funds	132,377	132,716	265,093
Debt service funds	527,583	(40,945)	486,638
Capital project funds	1,646,847	(589,022)	1,057,825
<b>Total governmental funds</b>	<b>\$ 4,099,594</b>	<b>\$ (284,068)</b>	<b>\$ 3,815,526</b>

	<b>Beginning Net Position</b>	<b>Increase (Decrease)</b>	<b>Ending Net Position</b>
Water and sewer operations fund	\$ 26,624,115	\$ 926,551	\$ 27,550,666
Garbage collection fund	353,025	(274,876)	78,149
Self-funded group insurance fund	852	(213,088)	(212,236)
<b>Total proprietary funds</b>	<b>\$ 26,977,992</b>	<b>\$ 438,587</b>	<b>\$ 27,416,579</b>

The increase in the general fund is primarily due to increases in sales tax collections, franchise fees, capital and operating grants and state assistance revenue.

The increase in the special revenue funds is due to an increase in the tourism tax on all hotel and motels as a result of more hotel and motel stays.

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

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

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

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

The self-funded group insurance fund is an internal service fund that charges the City's employees and other City funds for the cost of providing health and dental insurance coverage to employees. This fund started the year with a positive net position. However, because the cost of claims in current year was higher than expected, the fund ended with a negative net position. The premium rates charged to employees and other City funds are adjusted annually in order to maintain adequate funds for paying claims.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Final budgeted funds available were less than original budgeted funds available by \$125 thousand. This decrease resulted primarily from a \$678 thousand decrease to licenses and permits, \$12 thousand to local grants, \$13 thousand to charges for services, \$112 thousand to fines and forfeitures, \$26 thousand to interest earned \$219 thousand to the beginning fund balance and \$39 thousand to ad valorem taxes. This decrease was offset by a \$161 thousand increase to state grants, \$263 thousand to management fees and \$550 thousand to miscellaneous fees. Final budgeted expenditures were \$590 thousand less than those originally budgeted. Key elements of this decrease were as follows:

- \$121,000 increase in personal services as a result of increasing salaries of employees promoted and or due to the increase in their job duties.
- \$45,000 increase in operating supplies as a result of increases in uniform expense, ammunition expense gas and oil, motor vehicle repairs and utilities.
- \$104,000 increase in other services and charges as the result of increases in maintenance contracts on office equipment telephone expense and postage expense.
- \$837,000 decrease in capital outlay as a result of the state providing bond proceeds in place of general fund money for the resurfacing of streets. Street resurfacing was accounted for in a capital project fund instead of the general fund as in years past.
- \$23,000 decrease in debt service is primarily due to the payment of principal and interest on debt with no new debt incurred.

Actual funds available were \$127 thousand greater than final budgeted. This increase was primarily due to increases in state shared revenues of \$108 thousand and increases in fines and forfeitures totaling \$14 thousand.

Actual expenditures were \$4 thousand greater than those finally budgeted. This increase is considered immaterial to the changes in expenditures.

For additional information, see Required Supplementary Information beginning on page 71.

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**CAPITAL ASSETS**

Governmental activities. The City's investment in net capital assets for its governmental activities amounted to \$62.4 million at September 30, 2021. This investment includes land, buildings, other improvements, equipment and vehicles, infrastructure and construction in progress. Additions during the current year totaled \$4.9 million. Significant increases were:

- \$2.6 - million for infrastructure projects related to Cynthia Road Bridge, Kickapoo Road Bridge and Midway Road Bridge Projects, in addition to street improvements to Magnolia Road
- \$651 thousand – for resurfacing and street repairs to the City's streets
- \$410 thousand – for constructions of multi-use paths.
- \$391 thousand – for Robinson Park improvements
- \$124 thousand – for police vehicles
- \$45 thousand – for a portable X-Ray System for the Clinton Police Bomb Squad
- \$39 thousand - for various other capital assets
- \$25 thousand – for Pickleball Courts
- \$18 thousand – for Radar Signs for the Clinton Police Department to monitor traffic speeds on the City's streets

Depreciation expense amounted to \$5.5 million for 2021 and \$5.4 million for 2020. Accumulated depreciation at September 30, 2021 and 2020 was \$88.4 million and \$83.0 million, respectively.

**Business-type activities.** At September 30, 2021, the City's business-type net capital assets amounted to \$29.7 million. This asset grouping includes land, buildings, water and sewer systems, equipment and vehicles and construction in progress. Additions of \$853 thousand were made during 2021 mainly for water and sewer improvements and the purchase of new vehicles and equipment. Depreciation expense amounted to \$2.0 million for 2021 and \$2.0 million for 2020. Accumulated depreciation at September 30, 2021 and 2020 was \$37.2 million and \$35.2 million, respectively.

City of Clinton  
Capital Assets  
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 8,087,186	\$ 8,075,732	\$ 181,742	\$ 181,742	\$ 8,268,928	\$ 8,257,474
Buildings	13,216,738	14,216,079	92,037	101,677	13,308,775	14,317,756
Other improvements	1,535,076	1,490,205	-	-	1,535,076	1,490,205
Water and sewer systems and improvements	-	-	27,458,017	29,075,580	27,458,017	29,075,580
Certificate of authority	-	-	800,000	800,000	800,000	800,000
Equipment and vehicles	1,314,116	2,023,976	979,185	748,105	2,293,301	2,772,081
Infrastructure	35,990,257	37,017,004	-	-	35,990,257	37,017,004
Construction in progress	2,274,409	809,708	221,124	-	2,495,533	809,708
<b>Total net position</b>	<b>\$ 62,417,782</b>	<b>\$ 63,632,704</b>	<b>\$ 29,732,105</b>	<b>\$ 30,907,104</b>	<b>\$ 92,149,887</b>	<b>\$ 94,539,808</b>

For additional information, see Note 2 to the Basic Financial Statements.

**City of Clinton, Mississippi**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**DEBT ADMINISTRATION**

**Governmental activities.** At the end of the current fiscal year, long-term debt associated with the City's governmental activities totaled \$13.9 million. This account classification includes general obligation bonds, notes payable, capital lease obligations, and unamortized bond premium. During the current fiscal year, the City's total governmental activities debt decreased by \$2.1 million. This decrease was due primarily to scheduled debt payments made during the year. Payments of principal and interest due within one-year total \$1.9 million.

**Business-type activities.** Long-term debt associated with the City's business-type activities totaled \$8.1 million at September 30, 2021. This account classification includes general obligation bonds, notes payable, and capital lease obligations. The majority of this debt is associated with the City's wastewater treatment facility. During the year ended September 30, 2021, debt associated with the City's business-type activities decreased by \$1.7 million. This decrease was due primarily to the scheduled debt payments made during the year. Payments of principal and interest due within one-year total \$1.0 million.

City of Clinton General Obligation and Revenue Bonds and Other Loans						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 11,457,791	\$ 12,949,420	\$ 382,208	\$ 465,580	\$ 11,839,999	\$ 13,415,000
Notes payable	336,739	368,664	7,623,607	9,139,977	7,960,346	9,508,641
Capital lease obligations	1,846,837	2,378,283	141,286	228,470	1,988,123	2,606,753
Unamortized bond premium	186,595	223,338	-	-	186,595	223,338
<b>Total net position</b>	<b>\$ 13,827,962</b>	<b>\$ 15,919,705</b>	<b>\$ 8,147,101</b>	<b>\$ 9,834,027</b>	<b>\$ 21,975,063</b>	<b>\$ 25,753,732</b>

For additional information, see Note 2 to the Basic Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As a result of the COVID-19 pandemic, the City has not seen a significant decline in the major sources of revenue. These major sources are ad valorem taxes and sales taxes. However, due to the continuing pandemic, 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 of these factors were considered in preparing the City's budgets for 2022.

**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.



# FINANCIAL STATEMENTS



## BASIC FINANCIAL STATEMENTS

**City of Clinton, Mississippi**  
**Statement of Net Position**

<i>September 30, 2021</i>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,561,579	\$ 9,469,384	\$ 17,030,963
Receivables, net	9,232,073	1,667,916	10,899,989
Internal balances	(34,527)	34,527	-
Due from fiduciary fund	0	-	-
Prepaid items	22,208	-	22,208
Restricted cash and cash equivalents	-	675,780	675,780
Capital assets			
Capital assets not being depreciated	10,361,595	1,202,866	11,564,461
Other capital assets, net of depreciation	52,056,187	28,529,239	80,585,426
Net pension asset	117,963	-	117,963
<b>Total assets</b>	<b>79,317,078</b>	<b>41,579,712</b>	<b>120,896,790</b>
<b>Deferred Outflows of Resources</b>			
Related to pensions	1,981,324	454,478	2,435,802
Deferred charges on refundings	144,054	-	144,054
<b>Total deferred outflows of resources</b>	<b>2,125,378</b>	<b>454,478</b>	<b>2,579,856</b>
<b>Liabilities</b>			
Accounts payable	2,112,442	327,543	2,439,985
Accrued interest payable	116,712	15,856	132,568
Estimated claims payable	300,373	-	300,373
Due to other governments	75,641	-	75,641
Customer deposits payable	-	463,451	463,451
Long-term debt:			
Due within one year	1,897,557	1,091,931	2,989,488
Due in more than one year	11,930,405	7,055,170	18,985,575
Compensated absences payable:			
Due within one year	708,788	104,092	812,880
Due in more than one year	727,473	188,547	916,020
Net pension liability	17,908,985	3,952,020	21,861,005
<b>Total liabilities</b>	<b>35,778,376</b>	<b>13,198,610</b>	<b>48,976,986</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	6,619,336	1,234,250	7,853,586
Unearned revenue	3,004,483	-	3,004,483
Property taxes levied for the subsequent year	7,174,432	-	7,174,432
<b>Total deferred inflows of resources</b>	<b>16,798,251</b>	<b>1,234,250</b>	<b>18,032,501</b>
<b>Net Position</b>			
Net investment in capital assets	48,733,874	21,585,004	70,318,878
Restricted for			
Capital projects	1,057,825	212,329	1,270,154
Debt service	486,638	-	486,638
Law enforcement (restricted by enabling legislation)	209,887	-	209,887
Economic development and tourism (restricted by enabling legislation)	295,214	-	295,214
Unrestricted net position (deficit)	(21,917,609)	5,803,997	(16,113,612)
<b>Total net position</b>	<b>\$ 28,865,829</b>	<b>\$ 27,601,330</b>	<b>\$ 56,467,159</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Statement of Activities**

*For the year ended September 30, 2021*

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
<b>Governmental Activities</b>							
General government	\$ 1,564,130	\$ 115,893	\$ -	\$ 44,770	\$ (1,403,467)	\$ -	\$ (1,403,467)
Public safety	11,012,847	968,370	637,713	-	(9,406,764)	-	(9,406,764)
Public works	4,883,480	-	-	591,868	(4,291,612)	-	(4,291,612)
Culture and recreation	2,918,178	82,994	-	14,750	(2,820,434)	-	(2,820,434)
Economic development	712,631	-	-	-	(712,631)	-	(712,631)
Interest and fiscal charges on long-term debt	375,597	-	-	-	(375,597)	-	(375,597)
<b>Total governmental activities</b>	<b>21,466,863</b>	<b>1,167,257</b>	<b>637,713</b>	<b>651,388</b>	<b>(19,010,505)</b>	<b>-</b>	<b>(19,010,505)</b>
<b>Business-Type Activities</b>							
Water	4,141,694	5,110,826	-	12,825	-	981,957	981,957
Sewer	4,449,734	4,330,444	-	26,193	-	(93,097)	(93,097)
Garbage collection	2,177,356	1,772,119	-	-	-	(405,237)	(405,237)
<b>Total business-type activities</b>	<b>10,768,784</b>	<b>11,213,389</b>	<b>-</b>	<b>39,018</b>	<b>-</b>	<b>483,623</b>	<b>483,623</b>
<b>Total</b>	<b>\$ 32,235,647</b>	<b>\$ 12,380,646</b>	<b>\$ 637,713</b>	<b>\$ 690,406</b>	<b>(19,010,505)</b>	<b>483,623</b>	<b>(18,526,882)</b>
<b>General revenues and transfers</b>							
Taxes							
Property taxes, levied for general purposes					9,071,047	-	9,071,047
Sales tax					5,899,906	-	5,899,906
Franchise fees					756,294	-	756,294
State revenue sharing					2,902,117	17,950	2,920,067
County revenue sharing					53,886	-	53,886
Interest					26,579	43,978	70,557
Gain on sale of capital assets					44,079	250	44,329
Transfers, net					48,260	(48,260)	-
Miscellaneous					76,578	112,939	189,517
<b>Total general revenues and transfers</b>					<b>18,878,746</b>	<b>126,857</b>	<b>19,005,603</b>
<b>Change in net position</b>					<b>(131,759)</b>	<b>610,480</b>	<b>478,721</b>
<b>Net Position, beginning of year</b>					<b>28,997,588</b>	<b>26,990,850</b>	<b>55,988,438</b>
<b>Net position, end of year</b>					<b>\$ 28,865,829</b>	<b>\$ 27,601,330</b>	<b>\$ 56,467,159</b>

*The accompanying notes are an integral part of these financial statements.*



**City of Clinton, Mississippi**  
**Balance Sheet - Governmental Funds**

September 30, 2021

	General Fund	American Rescue Plan Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,305,639	\$ 3,004,483	\$ 2,059,418	\$ 7,369,540
Receivables, net				
Property taxes	6,233,269	-	1,182,988	7,416,257
Sales and tourism tax	891,864	-	70,684	962,548
Utilities tax	13,228	-	-	13,228
Franchise fees	211,482	-	-	211,482
Special assessments	-	-	189,260	189,260
Federal assistance	87,328	-	351,970	439,298
Prepaid expenses	2,300	-	19,908	22,208
Internal balances	824,948	-	77,599	902,547
Total assets	\$ 10,570,058	\$ 3,004,483	\$ 3,951,827	\$ 17,526,368
<b>Liabilities</b>				
Accounts payable	\$ 1,887,961	\$ -	\$ 196,443	\$ 2,084,404
Due to other governments	75,641	-	-	75,641
Internal balances	539,973	-	320,684	860,657
Total liabilities	2,503,575	-	517,127	3,020,702
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent year	6,029,705	-	1,144,727	7,174,432
Unavailable revenue	30,808	3,004,483	291,157	3,326,448
Unavailable special assessments	-	-	189,260	189,260
Total deferred inflows of resources	6,060,513	3,004,483	1,625,144	10,690,140
<b>Fund Balances</b>				
Restricted for				
Law enforcement	209,887	-	-	209,887
Economic development and tourism	30,121	-	265,093	295,214
Debt service	-	-	486,638	486,638
Capital projects	-	-	1,057,825	1,057,825
Unassigned	1,765,962	-	-	1,765,962
Total fund balances	2,005,970	-	1,809,556	3,815,526
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,570,058	\$ 3,004,483	\$ 3,951,827	\$ 17,526,368

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**

*September 30, 2021*

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Total fund balances - governmental funds		\$ 3,815,526
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		62,417,782
Long-term receivables are not available to pay current period expenditures and therefore are deferred in the funds.		511,225
Pension asset is not a current financial resource.		117,963
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on refundings	144,054	
Contributions after the measurement date	404,052	
Related to pensions	<u>1,577,272</u>	2,125,378
Interest is not recorded as an expenditure in the funds until the payment date and is not reported in the governmental funds balance sheet.		(116,712)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Accounts payable	(28,038)	
Compensated absences	(1,436,261)	
Net pension liability	(17,908,985)	
Long-term debt	<u>(13,827,962)</u>	(33,201,246)
Deferred inflows of resources are not reported in the governmental funds:		
Related to pensions		(6,619,336)
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.		(184,751)
Net position of governmental activities		<u>\$ 28,865,829</u>

*The accompanying notes are an integral part of these financial statements.*

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

*For the year ended September 30, 2021*

	General Fund	American Rescue Plan Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 7,624,204	\$ -	\$ 1,446,843	\$ 9,071,047
Sales tax	5,571,725	-	328,181	5,899,906
Franchise fees	756,294	-	-	756,294
Capital and operating grants	693,433	-	-	693,433
State assistance	1,383,448	-	2,305,820	3,689,268
County shared revenues	53,886	-	-	53,886
Charges for services	404,814	-	15,308	420,122
Fines and forfeitures	747,135	-	-	747,135
Special assessments	-	-	27,037	27,037
Interest	12,781	-	13,798	26,579
Contributions	-	-	3,800	3,800
Miscellaneous	49,550	-	-	49,550
<b>Total revenues</b>	<b>17,297,270</b>	<b>-</b>	<b>4,140,787</b>	<b>21,438,057</b>
<b>Expenditures</b>				
Current				
General government	1,474,094	-	14,741	1,488,835
Public safety	9,956,279	-	-	9,956,279
Public works	1,292,312	-	-	1,292,312
Culture and recreation	1,789,621	-	151,309	1,940,930
Economic development	532,849	-	111,934	644,783
Debt service	897,993	-	1,540,867	2,438,860
Capital outlay	790,694	-	3,261,771	4,052,465
<b>Total expenditures</b>	<b>16,733,842</b>	<b>-</b>	<b>5,080,622</b>	<b>21,814,464</b>
Excess (deficiency) of revenues over (under) expenditures	563,428	-	(939,835)	(376,407)
<b>Other Financing Sources (Uses)</b>				
Capital asset disposals	44,079	-	-	44,079
Transfers in	54,291	-	1,067,612	1,121,903
Transfers out	(448,615)	-	(625,028)	(1,073,643)
<b>Total other financing sources (uses)</b>	<b>(350,245)</b>	<b>-</b>	<b>442,584</b>	<b>92,339</b>
<b>Net change in fund balances</b>	<b>213,183</b>	<b>-</b>	<b>(497,251)</b>	<b>(284,068)</b>
<b>Fund balances, beginning of year</b>	<b>1,792,787</b>	<b>-</b>	<b>2,306,807</b>	<b>4,099,594</b>
<b>Fund balances, end of year</b>	<b>\$ 2,005,970</b>	<b>\$ -</b>	<b>\$ 1,809,556</b>	<b>\$ 3,815,526</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities**

*For the year ended September 30, 2021*

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Net change in fund balances - total governmental funds	\$ (284,068)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Acquisition of capital assets	4,052,465
Current year depreciation expense	(5,507,758)
Contributions by developers	240,371
Revenue earned but not available for use in current operations is not reported as revenue recognized and is deferred in the fund financial statements.	(435,654)
Governmental funds do not report revenue related to long-term receivables until collected because they do not provide current financial resources.	(27,038)
Governmental funds report principal payments on debt as expenditures.	2,055,000
Governmental activities report amortization expense over the life of the debt to allocate the debt premium received and the difference between the refunded debt and the payments to the refunded debt escrow agents.	(12,741)
Governmental funds report interest, compensated absences, and pension costs as expenditures when paid while governmental activities report these costs as expenses when incurred.	(40,443)
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.	(171,893)
<b>Change in net position of governmental activities</b>	<b>\$ (131,759)</b>

*The accompanying notes are an integral part of these financial statements.*

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

September 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>Assets</b>				
Current aassets				
Cash and cash equivalents	\$ 9,261,898	\$ 207,486	\$ 9,469,384	\$ 192,039
Receivables, net:				
Accounts	1,664,945	-	1,664,945	-
Special assessments	2,971	-	2,971	-
Internal balances	646,918	156,726	803,644	129,098
Restricted cash and cash equivalents:				
Customer deposit accounts	463,451	-	463,451	-
<b>Total current assets</b>	<b>12,040,183</b>	<b>364,212</b>	<b>12,404,395</b>	<b>321,137</b>
Noncurrent assets				
Restricted noncurrent assets				
Construction cash account	212,329	-	212,329	-
<b>Total restricted assets</b>	<b>212,329</b>	<b>-</b>	<b>212,329</b>	<b>-</b>
Capital assets				
Water and sewer systems and other improvements	60,699,734	-	60,699,734	-
Land	181,742	-	181,742	-
Buildings	263,987	-	263,987	-
Equipment and vehicles	3,751,782	1,001,012	4,752,794	-
Construction in progress	221,124	-	221,124	-
Certificate of authority	800,000	-	800,000	-
Less accumulated depreciation	(36,324,304)	(862,972)	(37,187,276)	-
<b>Total capital assets</b>	<b>29,594,065</b>	<b>138,040</b>	<b>29,732,105</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>29,806,394</b>	<b>138,040</b>	<b>29,944,434</b>	<b>-</b>
<b>Total assets</b>	<b>41,846,577</b>	<b>502,252</b>	<b>42,348,829</b>	<b>321,137</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	\$ 454,478	\$ -	\$ 454,478	\$ -

(Continued)

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Statement of Net Position - Proprietary Funds (Continued)**

*September 30, 2021*

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 182,634	\$ 144,909	\$ 327,543	\$ -
Claims liability	-	-	-	300,373
Accrued interest payable	15,856	-	15,856	-
Internal balances	462,438	279,194	741,632	233,000
Compensated absences payable - current	104,092	-	104,092	-
Notes payable - current	928,592	-	928,592	-
General obligation bonds payable - current	85,381	-	85,381	-
Capital lease payable - current	77,958	-	77,958	-
Current liabilities payable from restricted assets				
Customer deposit payable	463,451	-	463,451	-
<b>Total current liabilities</b>	<b>2,320,402</b>	<b>424,103</b>	<b>2,744,505</b>	<b>533,373</b>
Noncurrent liabilities				
Compensated absences payable	188,547	-	188,547	-
Notes payable	6,695,015	-	6,695,015	-
General obligation bonds payable	296,827	-	296,827	-
Capital lease payable	63,328	-	63,328	-
Net pension liability	3,952,020	-	3,952,020	-
<b>Total noncurrent liabilities</b>	<b>11,195,737</b>	<b>-</b>	<b>11,195,737</b>	<b>-</b>
<b>Total liabilities</b>	<b>13,516,139</b>	<b>424,103</b>	<b>13,940,242</b>	<b>533,373</b>
<b>Deferred inflows of Resources</b>				
Related to pensions	1,234,250	-	1,234,250	-
<b>Net Position</b>				
Net investment in capital assets	21,446,964	138,040	21,585,004	-
Restricted for:				
Capital projects	212,329	-	212,329	-
Unrestricted net position (deficit)	5,891,373	(59,891)	5,831,482	(212,236)
<b>Total net position</b>	<b>\$ 27,550,666</b>	<b>\$ 78,149</b>	<b>\$ 27,628,815</b>	<b>\$ (212,236)</b>
Reconciliation to government-wide statement of net position:				
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities			\$ (27,485)	
<b>Net position of business-type activities</b>			<b>\$ 27,601,330</b>	

*The accompanying notes are an integral part of these financial statements.*

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

*For the year ended September 30, 2021*

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>Operating Revenues</b>				
Charges for services:				
Water sales	\$ 4,561,408	\$ -	\$ 4,561,408	\$ -
Sewer service charges	4,277,025	-	4,277,025	-
Other services and charges	553,137	-	553,137	-
Refuse collection charges	-	1,769,322	1,769,322	-
State assistance	-	17,950	17,950	-
Rents	49,700	-	49,700	-
Premiums	-	-	-	1,639,676
Miscellaneous	-	113,383	113,383	-
<b>Total operating revenues</b>	<b>9,441,270</b>	<b>1,900,655</b>	<b>11,341,925</b>	<b>1,639,676</b>
<b>Operating Expenses</b>				
Salaries	1,749,690	116,459	1,866,149	-
Employee benefits	774,459	41,575	816,034	-
Insurance	68,532	3,800	72,332	356,824
Claims expense	-	-	-	1,410,488
Office supplies	15,716	-	15,716	-
Gas and oil	98,223	14,019	112,242	-
Other operating supplies	129,244	-	129,244	-
Outside services	1,071,772	1,862,557	2,934,329	85,452
Repairs and maintenance	1,306,041	43,716	1,349,757	-
Telephone	42,072	-	42,072	-
Postage	47,113	-	47,113	-
Printing	16,476	-	16,476	-
Utilities	498,310	-	498,310	-
Rentals	30,512	-	30,512	-
Depreciation	1,950,399	77,508	2,027,907	-
Pro rata overhead to General Fund	500,000	-	500,000	-
Other	74,418	16,725	91,143	-
<b>Total operating expenses</b>	<b>8,372,977</b>	<b>2,176,359</b>	<b>10,549,336</b>	<b>1,852,764</b>
<b>Operating income (loss)</b>	<b>1,068,293</b>	<b>(275,704)</b>	<b>792,589</b>	<b>(213,088)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	43,150	828	43,978	-
Gain on sale of capital assets	250	-	250	-
Miscellaneous income	2,353	-	2,353	-
Interest and fiscal charges	(178,253)	-	(178,253)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(132,500)</b>	<b>828</b>	<b>(131,672)</b>	<b>-</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>935,793</b>	<b>(274,876)</b>	<b>660,917</b>	<b>(213,088)</b>
Capital contributions	39,018	-	39,018	-
Transfers out	(48,260)	-	(48,260)	-
<b>Change in net position</b>	<b>926,551</b>	<b>(274,876)</b>	<b>651,675</b>	<b>(213,088)</b>
Net position, beginning of year	26,624,115	353,025	26,977,140	852
<b>Net position, end of year</b>	<b>\$ 27,550,666</b>	<b>\$ 78,149</b>	<b>\$ 27,628,815</b>	<b>\$ (212,236)</b>

(Continued)

*The accompanying notes are an integral part of these financial statements.*

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

*For the year ended September 30, 2021*

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Reconciliation to government-wide statement of activities:

Change in net position of enterprise funds	\$ 651,675
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Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds for the year	(41,195)
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Change in net position of business-type activities	\$ 610,480
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*The accompanying notes are an integral part of these financial statements.*



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

*For the year ended September 30, 2021*

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 9,324,520	\$ 1,900,655	\$ 11,225,175	\$ 189,935
Receipts from other funds for services	-	-	-	1,416,808
Receipts from reinsurance	-	-	-	32,933
Payments to suppliers	(3,287,473)	(1,793,577)	(5,081,050)	(1,743,599)
Payments to employees	(2,234,165)	(151,670)	(2,385,835)	-
Payments for interfund services	(847,139)	(5,704)	(852,843)	(65)
Net cash provided by (used in) operating activities	2,955,743	(50,296)	2,905,447	(103,988)
<b>Cash Flows From Noncapital Financing Activities</b>				
Advances to other funds	(48,260)	-	(48,260)	-
Net cash used in noncapital financing activities	(48,260)	-	(48,260)	-
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	(813,641)	-	(813,641)	-
Principal paid on capital leases	(87,184)	-	(87,184)	-
Principal paid on general obligation bonds	(83,372)	-	(83,372)	-
Principal paid on notes payable	(1,516,370)	-	(1,516,370)	-
Interest and fiscal charges paid on debt	(182,794)	-	(182,794)	-
Net cash used in capital and related financing activities	(2,683,361)	-	(2,683,361)	-
<b>Cash Flows From Investing Activities</b>				
Interest received	43,150	828	43,978	-
Net cash provided by investing activities	43,150	828	43,978	-
Net increase (decrease) in cash and cash equivalents	267,272	(49,468)	217,804	(103,988)
Cash and cash equivalents, beginning of year	9,670,406	256,954	9,927,360	296,027
Cash and cash equivalents, end of year	\$ 9,937,678	\$ 207,486	\$ 10,145,164	\$ 192,039

(Continued)

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Statement of Cash Flows - Proprietary Funds (Continued)**

*For the year ended September 30, 2021*

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Operations Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>Cash and cash equivalents at end of year:</b>				
Cash and cash equivalents	\$ 9,261,898	\$ 207,486	\$ 9,469,384	\$ 192,039
Restricted cash and cash equivalents:				
Customer deposits cash	463,451	-	463,451	-
Construction account - noncurrent	212,329	-	212,329	-
	<b>\$ 9,937,678</b>	<b>\$ 207,486</b>	<b>\$ 10,145,164</b>	<b>\$ 192,039</b>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 1,068,293	\$ (275,704)	\$ 792,589	\$ (213,088)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,950,399	77,508	2,027,907	-
(Increase) decrease in:				
Accounts receivable	(84,532)	9,000	(75,532)	-
Due from other funds	(173,281)	-	(173,281)	-
Special assessments	4,417	-	4,417	-
Pension related deferred outflows	(93,573)	-	(93,573)	-
Accounts payable and accrued	106,414	139,454	245,868	-
Claims liability	-	-	-	109,165
Due to other funds	96,049	(554)	95,495	(65)
Customer deposits	(32,342)	-	(32,342)	-
Compensated absences	(3,519)	-	(3,519)	-
Net pension liability	(1,117,081)	-	(1,117,081)	-
Pension related deferred inflows	1,234,250	-	1,234,250	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,955,743</b>	<b>\$ (50,296)</b>	<b>\$ 2,905,447</b>	<b>\$ (103,988)</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Statement of Fiduciary Net Position – Fiduciary Funds**

*September 30, 2021*

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 37,838
<b>Net Position</b>	
Restricted for:	
Unemployment benefits	\$ 37,838
Total Net Position	\$ 37,838

*The accompanying notes are an integral part of these financial statements.*

**City of Clinton, Mississippi**  
**Statement of Changes in Fiduciary Net Position – Fiduciary Funds**

*For the year ended September 30, 2021*

	<b>Custodial Funds</b>
<b>Additions</b>	
Contributions	\$ 10,000
Interest	204
Total contributions	10,204
<b>Deductions</b>	
Unemployment benefit payments	5,584
<b>Increase in fiduciary net position</b>	4,620
Net position, beginning of year	33,218
<b>Net position, end of year</b>	<b>\$ 37,838</b>

*The accompanying notes are an integral part of these financial statements.*

## City of Clinton, Mississippi

### Notes to Basic Financial Statements

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Clinton, Mississippi (the “City”) is incorporated under the laws of the State of Mississippi and operates as a code charter municipality. The current City Code, as adopted, authorizes the following services: public safety, public utilities, public works, planning and zoning, parks and recreation, and general administrative services.

##### ***Reporting Entity***

The City is governed by a mayor and a board of seven aldermen (the “Board”), all of whom are elected to four-year terms by the City's registered voters. The City's basic financial statements include all of the City's operations. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units 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.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

##### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

##### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

## City of Clinton, Mississippi

### Notes to Basic Financial Statements

#### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

##### ***Government-wide and Fund Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's wastewater and sanitation services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements***

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following funds:

**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.

***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**

***Custodial Fund***

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

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The funds are further classified as follows:

**Major Funds**

*Governmental 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.
American Rescue Plan Fund	Accounts for the proceeds of federal grants to be used for future sewer improvement projects.

*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*

2% Tourism Tax Fund	Accounts for revenues from a 2% tax imposed on hotel and motel room rentals within the city limits. These funds must be used to promote tourism and economic development.
1% Tourism Tax Fund	Accounts for revenues from a 1% tax imposed on hotel and motel room rentals within the city limits. These funds must be used to promote tourism and economic development.

*Debt Service Funds*

2012 Infrastructure Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$4,250,000 Series 2012 bonds.
2016 Infrastructure Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$1,800,000 Series 2016 bonds.
G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Accumulates funds for payment of a \$7,934,045 portion of a general obligation refunding bond issue - \$8,820,000 Series 2013 bonds, the remaining portion of which is being paid by the Water and Sewer Operations Fund, and the unrefunded portion of the Public Improvement Series 2006 bonds.
Quisenberry Library Bond and Interest Fund	Accumulates funds for payment of a general obligation bond issue - \$8,000,000 Series 2008 bonds.
Parks and Recreation Bond and Interest Fund	Accumulates funds for payment of certificates of participation capital lease obligation - \$2,310,000.



**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Nonmajor Funds (continued)**

*Capital Project Funds*

Multi-Use Trails Project Fund	Accounts for the proceeds of a grant from the State of Mississippi being used for the construction of multi-use walking trails.
Senate Bill 2969 Bond Proceeds Project Fund	Accounts for the bond proceeds from the State of Mississippi being used for street resurfacing and road improvements.
Lions Club Park Project Fund	Accounts for the proceeds of a bond issue, grant, and donations to be used for the construction of a public park.
Senate Bill 2002 Bond Proceeds Fund	Accounts for the bond proceeds from the State of Mississippi to be used for the repair and maintenance of streets.
Cynthia Road Bridge Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for bridge repairs.
Kickapoo Road Bridge Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for bridge repairs.
Magnolia Road Project Fund	Accounts for the proceeds of federal and State of Mississippi grants to be used for street resurfacing and road improvements.
Midway Road Bridge Project Fund	Accounts for the proceeds of a grant from the State of Mississippi to be used for bridge repairs.

*Proprietary Fund*

Self-Funded Group Insurance Fund	This internal service fund accounts for the operations of the City's self-insured group medical and dental plans. Funding is provided by premiums collected from City employees and other City funds.
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*Fiduciary Fund*

Unemployment Compensation Benefit Fund	This employee benefit trust fund accounts for funds required to be held to reimburse the Mississippi Department of Employment Security for payments of City employees' unemployment benefits. State law requires the City to maintain the fund balance at 2% of the first \$6,000 of compensation paid to each employee during the previous calendar year, and the fund balance is not available for other uses by the City.
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**Budgetary Information**

*Budgetary Basis of Accounting*

The City prepares a budget for each of its funds, and the budgets provide details by department and purpose. In September, the proposed budgets are presented to the Mayor and Board of Aldermen for review. The Board of Aldermen holds public hearings and may add to, subtract from, or change

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (continued)***

***Budgetary Basis of Accounting (continued)***

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

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

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. 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, retaining 5% of the gross collections as a commission.

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity***

***Cash and Cash Equivalents***

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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity  
(continued)***

***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These receivables and payables are classified and reported as "due to other funds" or "due from other funds". Long-term borrowings between funds are classified and reported as "advances to other funds" and "advances to 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".

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when on fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds are netted as part of the reconciliation to the government-wide presentation.

***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.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Capital Assets***

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

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets (continued)***

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

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

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

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

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 assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

*Customer and developer deposit accounts* – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

*Bond and capital lease debt service accounts* – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

*Law enforcement fines and confiscated property account* – Funds generated from fines and confiscated property applied towards further education and enhancement of the police department pursuant to state statutes.

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Long-Term Obligations (continued)***

and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

***Pensions***

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 the Public Employees' Retirement System of Mississippi. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

***Compensated Absences***

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

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has two items that qualify for reporting as deferred outflows of resources, the *deferred charges on refunding* and the *deferred outflows related to pensions*, both reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Outflows/Inflows of Resources (continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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 City has one item that qualifies for reporting as deferred inflows of resources, the *deferred inflows of property taxes levied for the subsequent year*. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

*Unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Categories and Classifications of Fund Equity***

***Government-wide Statements***

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

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

***Fund Financial Statements***

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

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

- a. Nonspendable fund balance – Consists of amounts that cannot be spent because they are either (1) not in spendable form or (2) are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Consists of amounts for which constraints have been placed on their use: (1) by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments, or (2) by law through constitutional provisions or enabling legislation.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Categories and Classifications of Fund Equity (continued)***

*Fund Financial Statements (Continued)*

- 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***

*Program Revenues*

Amounts reported as program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

*Grant Revenues*

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

*Property Taxes*

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

*Operating Revenues and Expenses*

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



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues, Expenditures and Expenses (continued)***

***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.

***Use of 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.

***Subsequent Events***

Management of the City has evaluated subsequent events through the date that the financial statements were available to be issued, April 21, 2022, and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recently Implemented and Issued Accounting Pronouncements***

In fiscal year 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The adoption of this statement did not have a significant impact on the City's financial statements.



**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Implemented and Issued Accounting Pronouncements (continued)***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement will become effective for the City in fiscal year 2022. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

In February 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement will become effective for the City in fiscal year 2022.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR), most notably the London Interbank Offered Rate (LIBOR), by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87, *Leases*, as amended, for lease contracts that are amended solely to replace an IBOR used to determine variable payments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Implemented and Issued Accounting Pronouncements (continued)***

The City is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Deposits***

Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Deposits with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. To address this risk, the collateral deposits in financial institutions of public entities are 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, 2021, all of the City's bank deposits (including restricted amounts) were covered under the collateral pool administered by the State Treasurer.

***Receivables and Deferred Inflows of Resources***

Receivables consisted of the following:

<i>September 30, 2021</i>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Water, sewer and garbage collection charges	\$ -	\$ 2,326,945	\$ 2,326,945
Special assessments:			
Due within one year	27,037	2,971	30,008
Due in more than one year	162,223	128,363	290,586
Property taxes	7,416,257	-	7,416,257
Sales and tourism taxes	962,548	-	962,548
Franchise charges	211,482	-	211,482
Federal assistance	439,298	-	439,298
Other	13,228	-	13,228
	9,232,073	2,458,279	11,690,352
Allowance for uncollectible amounts	-	(790,363)	(790,363)
Net receivables	\$ 9,232,073	\$ 1,667,916	\$ 10,899,989

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Receivables and Deferred Inflows of Resources (continued)***

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

<i>September 30, 2021</i>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Unearned revenue	\$ 3,004,483	\$ -	\$ 3,004,483
Property taxes levied for the subsequent year	7,174,432	-	7,174,432
Total deferred inflows of resources related to receivables	\$ 10,178,915	\$ -	\$ 10,178,915

***Capital Assets***

Capital asset activity was as follows:

<i>Year ended September 30, 2021</i>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land:				
Right-of-way	\$ 6,740,096	\$ 11,454	\$ -	\$ 6,751,550
Other land	1,335,636	-	-	1,335,636
Construction in progress	809,708	2,039,448	(574,747)	2,274,409
Total not being depreciated	8,885,440	2,050,902	(574,747)	10,361,595
Other capital assets:				
Buildings	23,881,491	-	-	23,881,491
Other improvements	10,404,931	-	-	10,404,931
Equipment and vehicles	11,274,699	215,758	(73,203)	11,417,254
Infrastructure	92,150,370	2,600,923	-	94,751,293
	137,711,491	2,816,681	(73,203)	140,454,969
Accumulated depreciation:				
Buildings	9,665,412	999,341	-	10,664,753
Other improvements	8,549,204	320,651	-	8,869,855
Equipment and vehicles	9,616,245	560,096	(73,203)	10,103,138
Infrastructure	55,133,366	3,627,670	-	58,761,036
	82,964,227	5,507,758	(73,203)	88,398,782
Net other capital assets	54,747,264	(2,691,077)	-	52,056,187
Capital assets, net	\$ 63,632,704	\$ (640,175)	\$ (574,747)	\$ 62,417,782

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Capital Assets (continued)***

<i>Year ended September 30, 2021</i>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 181,742	\$ -	\$ -	\$ 181,742
Construction in progress	-	221,124	-	221,124
Certificate of authority	800,000	-	-	800,000
Total not being depreciated	981,742	221,124	-	1,202,866
Other capital assets:				
Water and sewer systems and improvements	60,660,716	39,018	-	60,699,734
Buildings	263,987	-	-	263,987
Equipment and vehicles	4,160,028	592,766	-	4,752,794
	65,084,731	631,784	-	65,716,515
Accumulated depreciation:				
Water and sewer systems and improvements	31,585,136	1,656,581	-	33,241,717
Buildings	162,310	9,640	-	171,950
Equipment and vehicles	3,411,923	361,686	-	3,773,609
	35,159,369	2,027,907	-	37,187,276
Net other capital assets	29,925,362	(1,396,123)	-	28,529,239
Capital assets, net	\$ 30,907,104	\$ (1,174,999)	\$ -	\$ 29,732,105

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 56,218
Public safety	877,714
Public works	3,559,539
Culture and recreation	952,440
Economic development	61,847
	<b>\$ 5,507,758</b>
<b>Business-type activities:</b>	
Water	\$ 974,473
Sewer	975,926
Garbage collection	77,508
	<b>\$ 2,027,907</b>

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Transactions and Balances***

The majority of interfund balances result from garbage collection customer billings by the Water and Sewer Operations Fund and from temporary advances for debt service, capital projects, and self-insurance claims. These advances are typically repaid upon collection of related receivables. The schedule below does not include balances due to the fiduciary fund as presented in the accompanying Balance Sheet. The composition of interfund balances as of September 30, 2021, was as follows:

Due to	Due From					Total
	General Fund	Water and Sewer Operations Fund	Garbage Collection Fund	Nonmajor Governmental Funds	Nonmajor Internal Service Fund	
General Fund	\$ -	\$ 234,893	\$ 278,664	\$ 147,691	\$ 163,700	\$ 824,948
Water and Sewer Operations Fund	404,625	-	-	172,993	69,300	646,918
Garbage Collection Fund	-	156,726	-	-	-	156,726
Nonmajor Governmental Funds	6,250	70,819	530	-	-	77,599
Nonmajor Internal Service Fund	129,098	-	-	-	-	129,098
<b>Total</b>	<b>\$ 539,973</b>	<b>\$ 462,438</b>	<b>\$ 279,194</b>	<b>\$ 320,684</b>	<b>\$ 233,000</b>	<b>\$ 1,835,289</b>

Transfers made during the year were to fund debt service and capital projects. Interfund transfers during the year ended September 30, 2021, were as follows:

Transfer To	Transfer From			Total
	General Fund	Water and Sewer Operations Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 48,260	\$ 6,031	\$ 54,291
Nonmajor Governmental Funds	448,615	-	618,997	1,067,612
<b>Total</b>	<b>\$ 448,615</b>	<b>\$ 48,260</b>	<b>\$ 625,028</b>	<b>\$ 1,121,903</b>

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Accounts Payable***

Accounts payable consisted of the following:

<i>September 30, 2021</i>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Accounts payable to vendors	\$ 1,147,694	\$ 327,543	\$ 1,475,237
Accrued wages	366,038	-	366,038
Cash bonds and evidence held	509,876	-	509,876
Payroll withholdings and employee benefits	88,834	-	88,834
<b>Total</b>	<b>\$ 2,112,442</b>	<b>\$ 327,543</b>	<b>\$ 2,439,985</b>

***Long-term Liabilities***

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

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

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

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

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

*September 30, 2021*

**General Obligation Bonds:**

\$5,265,000 Refunding Series 2016 serial bonds due in annual installments of \$30,000 to \$575,000 through September 1, 2028; interest varies from 2.00% to 3.00%.	\$ 3,770,000
\$4,250,000 Public Improvement — Series 2012 serial bonds due in annual installments of \$155,000 to \$330,000 through April 1, 2032; interest varies from 2.40% to 3.40%.	2,815,000
\$1,800,000 Public Improvement — Series 2016 serial bonds due in annual installments of \$65,000 to \$120,000 through April 1, 2036; interest varies from 2.25% to 3.00%.	1,450,000
\$7,934,045 portion of Refunding Series 2013 serial bonds due in annual installments of \$188,907 to \$845,579 through November 1, 2025; interest varies from 2.00% to 2.50%.	3,422,791
	<u>11,457,791</u>

**Capital Lease Obligations:**

\$558,822 equipment lease; monthly payments of \$5,301 including interest at 3.89%; final payment due September 15, 2019.	334,560
\$443,110 equipment lease; monthly payments of \$4,207, including interest at 2.65%; final payment due September 15, 2019.	29,093
\$2,310,000 certificates of participation; yearly payments of \$133,216 to \$325,096 including interest at 3.15%; final payment due September 30, 2032.	1,260,000
\$19,214 equipment lease; monthly payments of \$560, including interest at 3.10%; final payment due July 17, 2022.	5,517
\$135,395 equipment lease; monthly payments of \$3,943, including interest at 3.10%; final payment due July 26, 2022.	38,879
\$28,889 equipment lease; monthly payments of \$841, including interest at 3.10%; final payment due July 17, 2022.	8,296
\$22,653 equipment lease; monthly payments of \$660, including interest at 3.14%; final payment due July 17, 2022.	6,508
\$20,955 equipment lease; monthly payments of \$610, including interest at 3.10%; final payment due July 17, 2022.	6,017
\$21,236 equipment lease; monthly payments of \$603, including interest at 1.41%; final payment due September 18, 2023.	14,257

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

*September 30, 2021*

**Capital Lease Obligations:**

\$29,427 equipment lease; monthly payments of \$835, including interest at 1.41%; final payment due September 18, 2023.	\$ 19,756
\$128,172 equipment lease; monthly payments of \$3,638, including interest at 1.41%; final payment due September 18, 2023.	86,048
\$58,463 equipment lease; monthly payments of \$1,603, including interest at 1.41%; final payment due September 18, 2023.	37,906
	<u>1,846,837</u>

**Notes Payable:**

\$120,481 loan payable to the Mississippi Development Authority; monthly installments of \$6,679, including interest at 2.00%; secured by the City's share of sales tax collected by the State; final payment due September 18, 2023.	107,633
\$250,000 loan payable to the Mississippi Development Authority; monthly installments of \$2,300, including interest at 2.00%; secured by the City's share of sales tax collected by the State; final payment due October 1, 2023.	229,106
	<u>336,739</u>
Unamortized bond premium	186,595
<b>Total Governmental Activities Long-Term Debt</b>	<b>\$ 13,827,962</b>

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

*September 30, 2021*

**General Obligation Bonds:**

\$885,955 portion of Refunding Series 2013 serial bonds due in annual installments of \$21,093 to \$94,421 through November 1, 2025; interest varies from 2.00% to 2.50%.	\$ 382,208
	<u>382,208</u>

**Notes Payable:**

\$10,963,501 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$61,942, including interest at 3.00%; secured by the City's share of sales tax collected by the State; final payment due November 1, 2021.	123,423
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**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

*September 30, 2021*

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**Notes Payable (Continued):**

\$1,157,361 loan payable to the Mississippi Department of Health; monthly installments of \$6,791, including interest at 3.50%; secured by the City's share of sales tax collected by the State; final payment due February 1, 2024.	\$ 182,333
\$993,655 loan payable to the Mississippi Development Authority; monthly installments of \$5,026, including interest at 2.00%; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	231,684
\$250,000 loan payable to the Mississippi Development Authority; monthly installments of \$1,386, including interest at 3.00%; secured by the City's share of sales tax collected by the State; final payment due October 1, 2025.	62,643
\$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.	1,126,644
\$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.	964,768
\$2,217,778 loan payable to the Mississippi Department of Environmental Quality; monthly installments of \$11,075, including interest at 1.75%, secured by the City's share of sales tax collected by the State; final payment due February 1, 2031.	1,152,978
\$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.	494,377
\$1,909,855 maximum loan available from the Mississippi Department of Health; monthly installments of \$9,716, including interest at 1.95%, beginning June, 2015; secured by the City's share of sales tax collected by the State; final payment will be due in February, 2035, if the maximum loan amount is utilized.	1,221,458

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

*September 30, 2021*

**Notes Payable (Continued):**

\$3,000,771 maximum loan available from the Mississippi Department of Environmental Quality; monthly installments of \$14,984, including interest at 1.75%, beginning July, 2016; secured by the City's share of sales taxes collected by the State; final payment will be due in April, 2036, if the maximum loan amount is utilized.	\$ 2,063,299
	<u>7,623,607</u>

**Capital Lease Obligation:**

\$200,193 equipment lease; monthly payments of \$5,834, including interest at 3.14%; final payment due July 17, 2022.	57,511
\$103,900 equipment lease; monthly payments of \$1,803, including interest at 1.59%; final payment due July 17, 2022.	83,775
	<u>141,286</u>

Total Business-Type Activities Long-Term Debt	<u>\$ 8,147,101</u>
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***Debt Service Requirements***

The future debt service requirements for all notes and bonds outstanding as of September 30, 2021, are as follows:

GOVERNMENTAL ACTIVITIES: FISCAL YEAR(S)	General Obligation Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,539,618	\$ 266,079	\$ 34,487	\$ 6,420	\$ 1,846,604
2023	1,582,608	217,448	35,183	5,724	1,840,963
2024	1,630,099	200,523	35,894	5,014	1,871,530
2025	1,700,578	146,718	36,618	4,289	1,888,203
2026	1,099,888	114,609	37,357	3,550	1,255,404
2027-2031	3,010,000	285,281	157,200	6,512	3,458,993
2032-2036	895,000	43,799	-	-	938,799
	<u>\$ 11,457,791</u>	<u>\$ 1,274,457</u>	<u>\$ 336,739</u>	<u>\$ 31,509</u>	<u>\$ 13,100,496</u>

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Debt Service Requirements (continued)***

BUSINESS-TYPE ACTIVITIES: FISCAL YEAR(S)	General Obligation Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2022	\$ 85,381	\$ 7,943	\$ 928,592	\$ 137,058	\$ 1,158,974
2023	87,390	6,106	822,062	119,703	1,035,261
2024	89,901	4,056	784,446	102,992	981,395
2025	94,420	1,808	772,205	88,070	956,503
2026	25,116	314	709,504	73,812	808,746
2027-2031	-	-	2,417,527	215,455	2,632,982
2032-2036	-	-	1,189,271	53,029	1,242,300
	<u>\$ 382,208</u>	<u>\$ 20,227</u>	<u>\$ 7,623,607</u>	<u>\$ 790,119</u>	<u>\$ 8,816,161</u>

The following is an analysis of equipment leased under capital leases as of September 30, 2021:

	<b>Governmental Activities</b>
Equipment cost	\$ 3,018,139
Accumulated depreciation	(2,404,157)
Carrying value	<u>\$ 613,982</u>

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments at September 30, 2021, are as follows:

Fiscal Years	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2022	\$ 374,497	\$ 79,973
2023	280,577	21,631
2024	202,267	21,631
2025	203,949	21,631
2026	200,473	-
2027-2031	726,883	-
2032-2036	139,266	-
Total minimum lease payments	2,127,912	144,866
Less amount representing interest	281,075	3,580
Present value of future minimum lease payments	<u>\$ 1,846,837</u>	<u>\$ 141,286</u>

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

*Changes in Long-Term Liabilities*

On March 1, 2016, the City issued general obligation refunding bonds Series 2016 totaling \$5,265,000 to refund a portion of the Series 2008 general obligation bonds for a total refunded debt of \$5,270,000. The remaining balance of the original debt issue which was not defeased through the refunding totaled \$710,000. This amount has been satisfied according to the terms of the original issue. The net proceeds were deposited into an irrevocable trust with an escrow agent to provide funds for all of the future debt service on the refunded bonds. As a result, the refunded debt is considered defeased and has been removed from the Statement of Net Position. At September 30, 2021, \$3,770,000 of the defeased debt remained outstanding.

During the year ended September 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
General obligation bonds	\$ 12,949,420	\$ -	\$ (1,491,629)	\$ 11,457,791	\$ 1,539,618
Notes payable	368,664	-	(31,925)	336,739	34,487
Capital lease obligations	2,378,283	-	(531,446)	1,846,837	323,452
Unamortized bond premium	223,338	-	(36,743)	186,595	-
	15,919,705	-	(2,091,743)	13,827,962	1,897,557
Compensated absences	1,328,176	108,085	-	1,436,261	708,788
Net pension liability	24,323,945	-	(6,414,960)	17,908,985	-
	<u>\$ 41,571,826</u>	<u>\$ 108,085</u>	<u>\$ (8,506,703)</u>	<u>\$ 33,173,208</u>	<u>\$ 2,606,345</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
General obligation bonds	\$ 465,580	\$ -	\$ (83,372)	\$ 382,208	\$ 85,381
Notes payable	9,139,977	-	(1,516,370)	7,623,607	928,592
Capital lease obligations	228,470	-	(87,184)	141,286	77,958
	9,834,027	-	(1,686,926)	8,147,101	1,091,931
Compensated absences	296,158	-	(3,519)	292,639	104,092
Net pension liability	5,069,101	-	(1,117,081)	3,952,020	-
	<u>\$ 15,199,286</u>	<u>\$ -</u>	<u>\$ (2,807,526)</u>	<u>\$ 12,391,760</u>	<u>\$ 1,196,023</u>

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

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Liabilities (continued)***

Interest and fiscal charges for the year ended September 30, 2021, were as follows:

Governmental activities	\$ 375,597
Business-type activities:	
Water	91,794
Sewer	86,459
	178,253
	<u>\$ 553,850</u>

***Revenue Pledged to Secure Debt***

The City has pledged its share of general sales tax collected by the State to secure certain government and business-type activities notes payable to the State for various public improvement and utility improvement projects. The City received general sales tax revenue totaling \$5,899,906 for the current year and made current year principal and interest payments on the notes payable to the State totaling \$1,723,683 which was approximately 29.22% of the pledged revenue. As of September 30, 2021, the future principal and interest requirements for the notes payable totaled \$8,781,974 and the maturity dates of the notes payable extend through August 2036.

***Lease Rental Revenue***

The City receives annual lease payments of \$10,100 for an industrial plant property. The lease automatically renews every ten years through the year 2067, unless terminated by the lessee. At the end of the lease, the lessee may purchase the property from the City at a reasonable market value at that time (excluding the value of improvements previously made by the lessee). The leased property's remaining undepreciated cost as of September 30, 2021, was as follows:

	<b>Governmental Activities</b>
Property cost	\$ 955,000
Accumulated depreciation	(927,500)
Carrying value	<u>\$ 27,500</u>

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Lease Rental Revenue (continued)***

The City also receives lease payments from cellular telephone companies for use of the excess space on the City's water towers as well as leasing permanent cellular tower structures. The lease revenue totaled \$59,800 for the year ended September 30, 2021. Future minimum rentals from leases with terms greater than one year are as follows:

<b>Fiscal Years</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2022	\$ 10,100	\$ 48,200
2023	10,100	24,000
2024	10,100	-
2025	10,100	-
2026	10,100	-
Thereafter	20,200	-
	<b>\$ 70,700</b>	<b>\$ 72,200</b>

***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:

<b>Fiscal Years</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2022	\$ 64,426	\$ 14,295
2023	57,474	11,095
2024	47,740	11,095
2025	47,740	11,095
2026	47,740	11,095
2027-2031	196,460	46,775
2032-2036	18,500	18,785
2037-2041	-	3,825
2042-2046	-	2,295
<b>Total minimum lease payments</b>	<b>\$ 480,080</b>	<b>\$ 130,355</b>

Rent expense for the year ended September 30, 2021, for all operating leases was as follows:

Governmental activities expenditures	\$ 105,842
Business-type activities expense	30,512
	<b>\$ 136,354</b>

**Note 3: RETIREMENT PLANS (Continued)**

***Pension Plans and Other Post-employment Benefits***

***Deferred Compensation Plan***

Plan Description

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

Funding Policy

Plan contributions by City employees are optional, and are limited by the Internal Revenue Code. City employees contributed \$103,293 to the plan for the year ended September 30, 2021. 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 (CDRF Plan), also administered by PERS. Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CDRF Plan members consist of all full-time sworn and uniformed policemen and firemen who were employed on or before July 1, 1987. All full-time sworn and uniformed policemen and firemen employed after July 1, 1987, participate in the Cost-Sharing Plan. The CDRF Plan is affiliated with the Mississippi Municipal Retirement System (MRS), an agent multiple-employer defined benefit pension plan, and as of June 30, 2020, included two active members and 31 retirees and beneficiaries currently receiving benefits. Benefit provisions for both plans are established by State law and may be amended only by the State of Mississippi Legislature. The Plans' provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq. (1972, as amended), and may be amended only by the Mississippi Legislature.

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

**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (continued)***

The financial statements of PERS are prepared using the economic resources measurement focus and accrual basis of accounting. Member and employer contributions are recognized as revenue when due pursuant to legal requirements; investment income is recognized when earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, PERS is considered a component unit of the State of Mississippi for financial reporting purposes and, as such, the financial statements issued by PERS are included in the State of Mississippi's Comprehensive Annual Financial Report. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Supporting actuarial information for the Cost-Sharing Plan is also provided in the GASB Statement No. 68 Report for the PERS prepared as of June 30, 2020. The auditor's opinion on that report, which includes in an accompanying schedule of collective pension amounts as of June 30, 2019 and for the year then ended is also available. PERS also issues a publicly available financial report for the MRS, which includes separate information for the CDRF Plan. All such information is available at [www.pers.ms.gov](http://www.pers.ms.gov) or may be obtained by writing to Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**Cost-Sharing Plan Benefits Provided**

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

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

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



**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (continued)***

CDRF Plan Benefits Provided

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

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

Cost-Sharing Plan Contributions

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

CDRF Funding Policy

The employer contribution rate, expressed as a millage rate tax applied to assessed property values, was established beginning in the 2011-2012 fiscal year at the rate necessary to maintain an asset reserve level equal to a reasonable percentage (initially 100% - 150%) of the next year's projected benefit payments. Employer contributions are set equal to the fiscal year's projected benefit payments and adjusted as necessary to maintain the assets at the established reserve level. During the year ended September 30, 2018, CDRF Plan 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 Plan 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, 2021, if needed in addition to the CDRF Plan tax levy to maintain the actuarial soundness of the CDRF Plan. The annual required contribution for the year ended September 30, 2021, was determined as part of the June 30, 2020 actuarial valuation using the Ultimate Asset Reserve actuarial cost method. Actual employer contributions totaled \$192,062 during 2021. Effective for the fiscal year ended September 30, 2020, there were no longer any active participants of the CDRF Plan and members consisted of inactive retirees or their beneficiaries receiving benefits. The City will continue to make its proportionate share of required actuarially determined contributions.

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (continued)***

Pension Asset, Liabilities, and Pension Expense (Income)

The City reported a net pension liability of approximately \$17,791,000 for its proportionate share of the collective net pension liability of the Cost-Sharing Plan and the net pension asset allocated to the CDRF Plan at September 30, 2021. The net pension liability (NPL) and net pension asset (NPA) for both plans were measured as of June 30, 2021, and the total pension liability (TPL) used to calculate the NPL and NPA was determined by an actuarial valuation. The NPL and NPA recorded as of September 30, 2021, and pension expense (income) recognized by the City for the year ended September 30, 2021, was as follows:

	Cost-Sharing Plan	CDRF	Total
Net pension (asset) liability	\$ 21,861,005	\$ (117,963)	\$ 21,743,042
Net pension expense (income)	\$ 1,798,628	\$ (17,453)	\$ 1,781,175

The NPL or NPA 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, 2021, the City's proportion 0.1479% as compared to its proportion measured at June 30, 2020 of 0.1437%, or an increase of 0.0042%.

Changes in the CDRF Plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
<i>For the year ended September 30, 2021</i>			
Interest	\$ 755,226	\$ -	\$ 755,226
Difference between expected and actual experience	201,661	-	201,661
Change of assumptions	(882)	-	(882)
Employer contributions	-	62,873	(62,873)
Net investment income	-	2,586,002	(2,586,002)
Benefit payments, including refunds	(927,231)	(927,231)	-
Administrative expense and other changes	-	(1,479)	1,479
Net change	28,774	1,720,165	(1,691,391)
Net pension liability, beginning of year	10,208,468	8,635,040	1,573,428
Net pension liability (asset), end of year	\$ 10,237,242	\$ 10,355,205	\$ (117,963)

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (continued)***

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

	1% Decrease	Current Rate	1% Increase
Cost-Sharing Plan net pension liability	\$ 30,960,309	\$ 21,861,005	\$ 14,362,456
CDRF Plan net pension liability	\$ 830,406	\$ (117,963)	\$ (928,241)

**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>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Cost-Sharing Plan</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>CDRF</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
<i>September 30, 2021</i>			
Differences between expected and actual experience	\$ 349,557	\$ -	\$ -
Changes of assumptions	1,682,193	-	-
Net difference between projected and actual earnings on investments	-	6,583,602	1,269,984
Employer contributions subsequent to the measurement date	404,052	-	-
<b>Total</b>	<b>\$ 2,435,802</b>	<b>\$ 6,583,602</b>	<b>\$ 1,269,984</b>

Deferred outflows of resources related to the Cost-Sharing Plan resulting from City contributions subsequent to June 30, 2021 (the measurement date) were \$404,052 and will be recognized as a reduction of the net pension liability during the year ending September 30, 2022. 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>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Cost-Sharing Plan</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>CDRF</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
2022	\$ 789,038	\$ 1,574,732	\$ 288,322
2023	689,036	1,464,099	282,475
2024	553,676	1,582,893	309,121
2025	-	1,961,878	390,066
<b>Total</b>	<b>\$ 2,031,750</b>	<b>\$ 6,583,602</b>	<b>\$ 1,269,984</b>

**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (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% 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:

	<b>Cost-Sharing Plan</b>	<b>CDRF Plan</b>
Inflation	2.75%	2.75%
Investment rate of return (net of plan investment expenses)	7.75%	6.25%
Projected salary increases, including inflation	3.00% - 18.25%	3.00% -4.50%

The actuarial assumptions used in the Cost-Sharing Plan actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report was dated April 20, 2021.

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The long-term expected rate of return used in the 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 nominal returns, net of pension plan investment expense and the assumed rate of 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.

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Public Employees Retirement Plans (continued)***

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class in the Cost-Sharing Plan are as follows:

<b>Investment Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic equity	27.00%	4.60%
International equity	22.00%	4.50%
Global equity	12.00%	4.80%
Fixed income	20.00%	-0.25%
Real estate	10.00%	3.75%
Private equity	8.00%	6.00%
Cash	1.00%	-1.00%
<b>Total</b>	<b>100.00%</b>	

**Discount rate**

The discount rate used to measure the total pension liability was 7.75% for both pension plans. The projection of cash flows used to determine the discount rate for the Cost-Sharing Plan assumed that plan member contributions will be made at the current contribution rate (9.00%) and that the employer contributions will be made at the current employer contribution rate (17.40%). The assumed investment rate of return for the CDRF plan, net of pension plan investment expense, and including inflation, was 6.25%. Based on those assumptions, 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 4: COMMITMENTS AND CONTINGENT LIABILITIES**

The City has entered into long-term contracts for residential solid waste collection and for the operation, management and maintenance of the City's wastewater treatment facilities. The solid waste collection contract is effective through December 2021, and provides for a monthly charge of \$14.81 per residential unit and \$12.58 per light commercial entity. The wastewater treatment facilities contract is effective through September, 2021, and provides for a monthly charge to the City of \$138,705 plus repair costs incurred by the contractor. Each of these rates are subject to annual adjustment based on the Consumer Price Index.

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.

## **City of Clinton, Mississippi**

### **Notes to Basic Financial Statements**

#### **Note 4: COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

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 5: TAX ABATEMENTS**

The City enters into ad valorem tax abatement agreements with local manufactures and other enterprises under Section 27-31-101 through Section 27-31-117 of the Mississippi Code of 1972, as annotated. The City is empowered, at their discretion, to grant exemptions from ad valorem taxation, except state ad valorem taxation and school district ad valorem taxation for a period of up to ten years on tangible property used in, or necessary to, the operation of the manufacturers and other new enterprises business. The City may grant two five-year exemptions that equal ten years. The products of the manufacturers or new enterprises and the automobiles and trucks operating over the highways of the State of Mississippi are not subject to the tax abatements. Based on Section 27-31-111 of the Mississippi Code of 1972, if at any time during the period of ad valorem tax exemption a manufacturer and/or a new enterprise has a cessation of operations for a continuous period of twelve months or more, all unexpired tax exemptions shall become void. If operations begin again at a later date, a new application must be filed. During the fiscal year ended September 30, 2021, no manufacturer or new enterprise has had a cessation of operations.

The City provided tax abatement agreements that exceeded 10.00% of the total amount abated to certain manufacturers of plastic products of 55% or \$103,512, and manufacturers of beverage products of 45% or \$85,765, totaling \$189,277 in abated ad valorem taxes during the year ended September 30, 2021.

#### **Note 6: 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.

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

Employees of the City are covered by the City's medical and dental self-insurance plan (the "plan"). The City contributed approximately \$530 per month per employee to the plan for medical and dental, and employees had the option of authorizing payroll withholdings to fund contributions for spouses and dependents. Claims are paid by a third party administrator acting on behalf of the City.

The City's medical self-insurance plan is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer. Stop-loss coverage is in effect for individual claims exceeding \$60,000 and for aggregate loss, which is based on the number of covered individuals. The aggregate stop-loss coverage attachment point for the current policy

**City of Clinton, Mississippi**  
**Notes to Basic Financial Statements**

**Note 6: RISK MANAGEMENT (Continued)**

year (which began August 1, 2021) is approximately \$1,743,000, while the previous policy year had an aggregate stop-loss coverage attachment point of approximately \$1,540,000. The stop-loss coverage amounts apply to claims incurred during the policy period that are paid up to three months after the policy period.

The costs associated with the medical self-insurance plan are reported as interfund transactions and are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund and the Enterprise Funds. The liabilities reported are based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on complex factors, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Non-incremental claims adjustment expenses have not been included as part of the liability for claims because the amount would be immaterial.

Changes in the claims liability amounts were as follows:

*For the year ended September 30, 2021*

Claims liability, beginning of year	\$ 191,208
Current year claims	1,410,488
Claims paid in current year	(1,301,323)
Claims liability, end of year	<u>\$ 300,373</u>

**Note 7: UNCERTAINTIES**

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

## REQUIRED SUPPLEMENTARY INFORMATION



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

<i>For the years ended September 30,</i>	<b>2021</b>	2020	2019	2018	2017	2016	2015
Last Ten Fiscal Years: *							
City's proportion of the net pension liability	<b>\$ 21,861,005</b>	\$ 27,819,618	\$ 24,830,412	\$ 22,317,123	\$ 19,956,382	\$ 21,059,885	\$ 18,311,889
City's proportionate share of the net pension liability	<b>0.1479%</b>	0.1437%	0.1412%	0.1342%	0.1201%	0.1179%	0.1185%
City's covered payroll	<b>\$ 9,920,968</b>	\$ 9,650,153	\$ 9,493,149	\$ 8,770,838	\$ 8,228,406	\$ 7,596,635	\$ 7,434,679
City's proportionate share of the net pension liability as a percentage of its covered payroll	<b>220.35%</b>	288.28%	261.56%	254.45%	242.53%	277.23%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	<b>70.44%</b>	58.97%	61.59%	62.54%	61.49%	54.47%	61.70%

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

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

**City of Clinton, Mississippi**  
**Schedule of Required Supplementary Information**  
**Schedule of the City's Contributions – Cost-Sharing Plan**  
**Last Ten Years Ended September 30, 2021**

<i>For the years ended September 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Contractually required contribution	<b>\$ 1,726,248</b>	\$1,679,127	\$1,495,171	\$1,381,407	\$1,295,974	\$1,196,470	\$1,170,962	\$1,154,387	\$1,056,164	\$928,832
Contributions in relation to the contractually required contribution	<b>\$ 1,726,248</b>	1,679,127	1,495,171	1,381,407	1,295,974	1,196,470	1,170,962	1,154,287	1,056,164	928,832
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -
City's covered payroll	<b>\$ 9,920,968</b>	\$9,650,153	\$9,493,149	\$8,770,838	\$8,228,406	\$7,596,635	\$7,434,679	\$7,329,441	\$7,406,479	\$7,183,542
Contributions as a percentage of the covered payroll	<b>17.40%</b>	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%	15.75%	14.26%	12.93%

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

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

The City's proportionate share of the net pension liability was determined based on the City's allocated percentage of its actual contributions to PERS to total actual contributions as of and for the year ended June 30, 2021. 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, 2021.

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

The employer contribution rate for the City was 9.75% in fiscal year 2005 with an increase in fiscal year 2006 to 10.75%. Beginning in fiscal year 2007, the employer contribution rate increased from 10.75% in .55% increments until the target rate was met in fiscal year 2008. Use of the phased-in employer contribution rate increase resulted in an annual contribution deficit for fiscal year 2007. The purpose of the phased-in approach was to moderate the impact to the State of Mississippi of a contribution rate increase. A slight increase in the employer contribution rate was implemented in fiscal year 2010, from 11.85% to 12.00%. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.00% to a projected 13.56% for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.00% for fiscal year 2011, which produced a decrease in employer normal cost. The reduction in normal cost, coupled with favorable investment experience, resulted in a revised recommended employer contribution rate from 13.56% to 12.93%, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26% and in fiscal year 2014, and the PERS Board of Trustees implemented a revised funding policy aimed at stabilizing the employer contribution rate, which was set at 15.75%. The employer contribution rate remained at 15.75% through the fiscal year ending June 30, 2019. The PERS Board of Trustees approved an increase in the employer contribution rate from 15.75% to 17.40% for the fiscal year ending June 30, 2020. Further, the PERS Board of Trustees also adopted a new funding policy, which sets the funding goals, objectives, and metrics for possible changes in the contribution rate for future valuations.

**Note 3: CHANGE OF ASSUMPTIONS AND BENEFIT PROVISIONS – COST-SHARING PLAN**

In 2021, changes in actuarial assumptions included the following:

- i. The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments. For males 95% of males up to age 60, 110% for ages 61 to 75, and 101% for ages above 77. For females, 84% of female rates up to age 72, 100% for ages above 76. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- ii. The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments. For males, 134% of male rates at all ages. For females, 121% of female rates at all ages. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

**Note 3: CHANGE OF ASSUMPTIONS AND BENEFIT PROVISIONS – COST-SHARING PLAN (Continued)**

- iii. The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments. For males, 97% of male rates at all ages. For females, 121% of female rates at all ages. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- iv. The price inflation assumption was reduced from 2.75% to 2.40%.
- v. The wage inflation assumption was reduced from 3.00% to 2.65%.
- vi. The investment rate of return was reduced from 7.75% to 7.55%.
- vii. The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- viii. Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to reflect actual experience more closely.
- ix. The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.
- x. The percentage of active member deaths assumed to be in the line of duty was decreased from 6.00% to 4.00%.

In 2020, there were no changes in assumptions and methods since the last valuation.

In 2019, changes in actuarial assumptions included the following:

- i. The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments. For males 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.
- ii. The expectation of disabled mortality was changed to the PubT.H-2010(B) Disabled Retiree Table for the disabled retirees with the following adjustments. For males 137% of male rates for all ages. For females 115% of the female rates for all ages. Projected scale MP-2018 will be used to project future improvements in life expectancy generationally.
- iii. The price inflation assumption was reduced from 3.00% to 2.75%.
- iv. The wage inflation assumption was reduced from 3.25% to 3.00%.
- v. Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- vi. The percentage of active member disabilities assumed to be in the line of duty was increased from 7.00% to 9.00%.

In 2018, there were no changes in assumptions and methods since the last valuation.

In 2017, changes in actuarial assumptions included (i) the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022 and with small adjustments made to the Mortality Table for disabled lives; (ii) the wage inflation assumption was reduced from 3.75% to 3.25%; (iii) adjustments to withdrawal rates, preretirement mortality rates, disability rates and service retirement rates to more closely reflect actual experience; and (iv) the percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

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

**Note 3: CHANGE OF ASSUMPTIONS AND BENEFIT PROVISIONS – COST-SHARING PLAN (Continued)**

In 2016, the assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%. Additionally for benefit provisions, effective July 1, 2016, the interest rate on employee contributions was calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent. The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years.

**Note 4: METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS – COST SHARING PLAN**

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 plan's fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.8 years
Asset valuation method	5-year smoothed market
Price inflation	2.75%
Salary increase	3.00 - 18.50%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total pension liability						
Service cost	\$ -	\$ 8,201	\$ 8,487	\$ 8,358	\$ 10,668	\$ 37,219
Interest	<b>755,226</b>	756,084	762,189	764,238	769,339	780,243
Difference between expected and actual experience	<b>201,661</b>	135,138	(19,121)	32,536	(48,446)	(164,102)
Changes of assumptions	<b>(882)</b>	-	33,305	-	31,606	-
Benefit payments, including refunds of employee contributions	<b>(927,231)</b>	(893,764)	(833,491)	(829,666)	(828,305)	(759,810)
Net change in total pension liability	28,774	5,659	(48,631)	(24,534)	(65,138)	(106,450)
Total pension liability, beginning of year	<b>10,208,468</b>	10,202,809	10,251,440	10,275,974	10,341,112	10,447,562
Total pension liability, end of year (a)	<b>\$ 10,237,242</b>	\$ 10,208,468	\$ 10,202,809	\$ 10,251,440	\$ 10,275,974	\$ 10,341,112
Plan fiduciary net position						
Contributions - employer	\$ <b>62,873</b>	\$ 343,065	\$ 222,032	\$ 28,109	\$ 182,528	\$ 190,177
Contributions - member	-	3,229	8,374	8,142	8,142	16,900
Net investment income	<b>2,586,002</b>	265,389	540,052	775,629	1,172,297	8,619
Benefit payments	<b>(927,231)</b>	(893,764)	(833,491)	(829,666)	(828,305)	(759,810)
Administrative expense	<b>(1,479)</b>	(6,640)	(4,441)	(1,392)	(1,809)	20,942
Net change in plan fiduciary net position	1,720,165	(288,721)	(67,474)	(19,178)	532,853	(523,172)
Plan net position, beginning of year	<b>8,635,040</b>	8,923,761	8,991,235	9,010,413	8,477,560	9,000,732
Plan net position, end of year (b)	<b>\$ 10,355,205</b>	\$ 8,635,040	\$ 8,923,761	\$ 8,991,235	\$ 9,010,413	\$ 8,477,560
Net pension liability (asset) - ending (a) - (b)	\$ <b>(117,963)</b>	\$ 1,573,428	\$ 1,279,048	\$ 1,260,205	\$ 1,265,561	\$ 1,863,552
Plan fiduciary net position as a percentage of the total pension liability	<b>101.15%</b>	84.59%	87.46%	87.71%	87.68%	81.98%
Covered payroll*	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A

\* Payroll-related information not provided because the plan is closed to new entrants and there are no remaining active members.

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

<i>For the years ended June 30,</i>	<b>2021</b>	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ <b>62,873</b>	\$ 343,065	\$ 222,032	\$ 28,109	\$ 182,528	\$ 190,177
Contributions in relation to the actuarially determined contribution	<b>62,873</b>	343,065	222,032	28,109	182,528	190,177
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll*	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A

\* Payroll-related information not provided because the plan is closed to new entrants and there are no remaining active members.

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

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ending September 30, 2021 were based on the June 30, 2019 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	Market value of assets
Inflation	2.75%
Salary increases	3.00 - 4.50%, including inflation
Investment rate of return	6.25%, net of pension plan investment expense, including inflation



# City of Clinton, Mississippi

## Budgetary Comparison Schedule - General Fund

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis, (See Note A)	Final Budget- Over (Under)
<b>AVAILABLE</b>				
Licenses and permits	\$ 2,400,600	\$ 1,722,237	\$ 1,717,072	\$ (5,165)
State grants	292,000	453,121	454,215	1,094
State shared revenues	5,475,000	5,475,000	5,583,701	108,701
Local grants	130,000	118,000	117,943	(57)
Charges for services	110,396	97,496	103,025	5,529
Fines and forfeitures	843,220	731,220	745,665	14,445
Interest earned	38,700	12,700	12,781	81
Management fee	237,000	500,000	500,000	-
Miscellaneous	343,738	893,559	896,364	2,805
Total receipts, other than taxes	9,870,654	10,003,333	10,130,766	127,433
Beginning fund balance	714,451	495,456	495,456	-
Total available, other than taxes	10,585,105	10,498,789	10,626,222	127,433
Ad valorem taxes to be provided by levy	7,726,083	7,687,283	7,686,594	(689)
<b>Total Available From All Sources</b>	<b>\$ 18,311,188</b>	<b>\$ 18,186,072</b>	<b>\$ 18,312,816</b>	<b>\$ 126,744</b>
<b>EXPENDITURES</b>				
General government:				
Elected Officials:				
Personal services	\$ 339,107	\$ 333,080	\$ 330,239	\$ (2,841)
Supplies	3,100	1,750	1,656	(94)
Other services and charges	52,045	60,706	60,207	(499)
<b>Total Elected Officials</b>	<b>394,252</b>	<b>395,536</b>	<b>392,102</b>	<b>(3,434)</b>
Court Services:				
Personal services	428,540	406,674	406,587	(87)
Supplies	3,950	3,950	3,068	(882)
Other services and charges	85,797	29,220	28,751	(469)
<b>Total Court Services</b>	<b>518,287</b>	<b>439,844</b>	<b>438,406</b>	<b>(1,438)</b>
Administration:				
Personal services	402,165	433,165	431,907	(1,258)
Supplies	13,350	8,000	6,309	(1,691)
Other services and charges	263,957	312,957	312,768	(189)
<b>Total Administration</b>	<b>679,472</b>	<b>754,122</b>	<b>750,984</b>	<b>(3,138)</b>
Legal:				
Personal services	98,321	106,321	105,757	(564)
Supplies	2,750	750	414	(336)
Other services and charges	16,286	22,286	20,913	(1,373)
<b>Total Legal</b>	<b>117,357</b>	<b>129,357</b>	<b>127,084</b>	<b>(2,273)</b>

(Continued)

**City of Clinton, Mississippi**  
**Budgetary Comparison Schedule - General Fund**

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis, (See Note A)</b>	<b>Final Budget-Over (Under)</b>
<b>EXPENDITURES (Continued)</b>				
Community Development:				
Personal services	\$ 214,397	\$ 213,397	\$ 212,453	\$ (944)
Supplies	24,775	22,775	22,050	(725)
Other services and charges	40,894	27,894	27,583	(311)
Debt service	22,304	26,304	25,948	(356)
<b>Total Community Development</b>	<b>302,370</b>	<b>290,370</b>	<b>288,034</b>	<b>(2,336)</b>
<b>Total General Government</b>	<b>2,011,738</b>	<b>2,009,229</b>	<b>1,996,610</b>	<b>(12,619)</b>
Public Safety:				
Law Enforcement:				
Personal services	4,368,087	4,465,650	4,447,779	(17,871)
Supplies	348,800	381,300	380,341	(959)
Other services and charges	456,265	575,765	575,388	(377)
Capital outlay	-	178,694	178,694	-
Debt service	96,922	92,000	90,981	(1,019)
<b>Total Law Enforcement</b>	<b>5,270,074</b>	<b>5,693,409</b>	<b>5,673,183</b>	<b>(20,226)</b>
Fire Protection:				
Personal services	3,953,709	3,982,864	3,944,093	(38,771)
Supplies	180,590	192,090	192,005	(85)
Other services and charges	318,357	241,418	237,975	(3,443)
Debt service	163,667	148,500	147,518	(982)
<b>Total Fire Protection</b>	<b>4,616,323</b>	<b>4,564,872</b>	<b>4,521,591</b>	<b>(43,281)</b>
Inspection:				
Personal services	181,832	173,514	171,095	(2,419)
Supplies	7,025	4,625	1,824	(2,801)
Other services and charges	12,865	9,865	9,734	(131)
<b>Total Inspection</b>	<b>201,722</b>	<b>188,004</b>	<b>182,653</b>	<b>(5,351)</b>
<b>Total Public Safety</b>	<b>10,088,119</b>	<b>10,446,285</b>	<b>10,377,427</b>	<b>(68,858)</b>
Street:				
Personal services	256,695	301,430	300,988	(442)
Supplies	268,187	271,187	269,329	(1,858)
Other services and charges	608,672	722,472	721,995	(477)
Capital outlay	1,000,000	158,000	157,700	(300)
Debt service	102,008	95,900	94,478	(1,422)
<b>Total Street</b>	<b>2,235,562</b>	<b>1,548,989</b>	<b>1,544,490</b>	<b>(4,499)</b>

(Continued)

# City of Clinton, Mississippi

## Budgetary Comparison Schedule - General Fund

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis, (See Note A)	Final Budget- Over (Under)
<b>EXPENDITURES (Continued)</b>				
Parks and Recreation:				
Personal services	\$ 735,948	\$ 690,921	\$ 690,316	\$ (605)
Supplies	203,500	207,500	207,091	(409)
Other services and charges	478,426	528,776	528,552	(224)
Capital outlay	522,472	349,000	449,260	100,260
Debt service	534,782	532,646	531,744	(902)
<b>Total Parks and Recreation</b>	<b>2,475,128</b>	<b>2,308,843</b>	<b>2,406,963</b>	<b>98,120</b>
4 C's:				
Other services and charges	20,000	20,000	20,000	-
<b>Total 4 C's</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>
City Buildings:				
Supplies	51,000	75,000	74,495	(505)
Other services and charges	51,165	55,165	54,971	(194)
<b>Total City Buildings</b>	<b>102,165</b>	<b>130,165</b>	<b>129,466</b>	<b>(699)</b>
Therapeutic Recreation:				
Personal services	184,656	171,613	171,239	(374)
Supplies	18,020	16,020	15,206	(814)
Other services and charges	39,533	28,533	27,751	(782)
Debt service	7,324	7,324	7,324	-
<b>Total Therapeutic Recreation</b>	<b>249,533</b>	<b>223,490</b>	<b>221,520</b>	<b>(1,970)</b>
<b>Total Culture and Recreation</b>	<b>2,846,826</b>	<b>2,682,498</b>	<b>2,777,949</b>	<b>95,451</b>
Communications:				
Personal services	47,785	52,810	52,810	-
Supplies	3,125	3,725	3,700	(25)
Other services and charges	104,746	72,746	72,265	(481)
Capital outlay	5,000	5,040	5,040	-
<b>Total Communications</b>	<b>160,656</b>	<b>134,321</b>	<b>133,815</b>	<b>(506)</b>
Main Street:				
Personal services	158,556	148,697	147,349	(1,348)
Supplies	4,500	4,500	3,863	(637)
Other services and charges	19,468	26,468	26,237	(231)
<b>Total Main Street</b>	<b>182,524</b>	<b>179,665</b>	<b>177,449</b>	<b>(2,216)</b>
Economic Development:				
Personal services	62,935	62,935	62,703	(232)
Supplies	1,500	500	375	(125)
Other services and charges	73,386	26,246	25,090	(1,156)
<b>Total Economic Development</b>	<b>137,821</b>	<b>89,681</b>	<b>88,168</b>	<b>(1,513)</b>

(Continued)

**City of Clinton, Mississippi**  
**Budgetary Comparison Schedule - General Fund (Continued)**

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis, (See Note A)</b>	<b>Final Budget- Over (Under)</b>
<b>EXPENDITURES (Continued)</b>				
Olde Towne Depot:				
Personal services	\$ 99,511	\$ 110,511	\$ 110,143	\$ (368)
Supplies	28,250	14,250	13,835	(415)
Other services and charges	29,248	14,548	14,479	(69)
Total Olde Towne Depot	157,009	139,309	138,457	(852)
Total Economic Development	638,010	542,976	537,889	(5,087)
Transfers and other charges	448,615	448,615	448,092	(523)
Total expenditures	18,268,870	17,678,592	17,682,457	3,865
Ending fund balance	42,318	507,480	630,359	122,879
Total Expenditures and Ending Fund Balance	\$ 18,311,188	\$ 18,186,072	\$ 18,312,816	\$ 126,744

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

**Note A: BUDGETARY BASIS RECONCILIATION**

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

Available - Budgetary Comparison Schedule	\$ 18,312,816
Differences:	
GAAP basis receivables are reflected as budgetary basis available in the year received	34,201
Overhead reimbursements from other funds are included in budgetary basis available	(500,000)
Other financing sources are included in budgetary basis available	(54,291)
Beginning fund balance is included in budgetary basis available	(495,456)
<b>Revenues - Statement of Revenues, Expenditures and Changes in Fund Balances</b>	<b>\$ 17,297,270</b>
Expenditures - Budgetary Comparison Schedule	\$ 17,682,457
Differences:	
Overhead reimbursements from other funds are included in budgetary basis available	(500,000)
Other financing uses are included in budgetary basis expenditures	(448,615)
<b>Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balances</b>	<b>\$ 16,733,842</b>
Other Financing Sources (Uses) - Budgetary Comparison Schedule	\$ -
Differences:	
Other financing sources are included in budgetary basis available	98,370
Other financing uses are included in budgetary basis expenditures	(448,615)
<b>Other Financing Sources (Uses) - Statement of Revenues, Expenditures and Changes in Fund Balances</b>	<b>\$ (350,245)</b>

## OTHER SUPPLEMENTARY INFORMATION

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

September 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 215,006	\$ 406,660	\$ 1,437,752	\$ 2,059,418
Receivables:				
Property taxes	-	1,182,988	-	1,182,988
Sales and tourism tax	70,684	-	-	70,684
Special assessments	-	189,260	-	189,260
Federal assistance	-	-	351,970	351,970
Prepaid expenses	-	19,908	-	19,908
Internal balances	-	21,809	55,790	77,599
Total assets	\$ 285,690	\$ 1,820,625	\$ 1,845,512	\$ 3,951,827
<b>Liabilities</b>				
Accounts payable	\$ 18,134	\$ -	\$ 178,309	\$ 196,443
Internal balances	2,463	-	318,221	320,684
Total liabilities	20,597	-	496,530	517,127
<b>Deferred Inflows of Resources</b>				
Property taxes levied for subsequent year	-	1,144,727	-	1,144,727
Unearned revenue	-	-	291,157	291,157
Unavailable special assessments	-	189,260	-	189,260
Total deferred inflows of resources	-	1,333,987	291,157	1,625,144
<b>Fund Balances</b>				
Restricted for:				
Economic development and tourism	265,093	-	-	265,093
Debt service	-	486,638	-	486,638
Capital projects	-	-	1,057,825	1,057,825
Total fund balances	265,093	486,638	1,057,825	1,809,556
Total liabilities, deferred inflows of resources, and fund balances	\$ 285,690	\$ 1,820,625	\$ 1,845,512	\$ 3,951,827

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

*For the year ended September 30, 2021*

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ -	\$ 1,446,843	\$ -	\$ 1,446,843
Sales tax	328,181	-	-	328,181
State assistance	-	36,458	2,269,362	2,305,820
Charges for services	15,308	-	-	15,308
Special assessments	-	27,037	-	27,037
Interest	587	4,325	8,886	13,798
Contributions	3,800	-	-	3,800
Total revenues	347,876	1,514,663	2,278,248	4,140,787
<b>Expenditures</b>				
Current:				
General government	-	14,741	-	14,741
Culture and recreation	151,309	-	-	151,309
Economic development	111,934	-	-	111,934
Debt service	-	1,540,867	-	1,540,867
Capital outlay	-	-	3,261,771	3,261,771
Total expenditures	263,243	1,555,608	3,261,771	5,080,622
Excess (deficiency) of revenues over expenditures	84,633	(40,945)	(983,523)	(939,835)
<b>Other Financing Sources (Uses)</b>				
Transfers in	48,083	543,116	476,413	1,067,612
Transfers out	-	(543,116)	(81,912)	(625,028)
Net other financing sources (uses)	48,083	-	394,501	442,584
Net change in fund balances	132,716	(40,945)	(589,022)	(497,251)
Fund balances, beginning of year	132,377	527,583	1,646,847	2,306,807
Fund balances, end of year	\$ 265,093	\$ 486,638	\$ 1,057,825	\$ 1,809,556



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

*September 30, 2021*

	2% Tourism Tax Fund	1% Tourism Tax Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 53,414	\$ 161,592	\$ 215,006
Tourism tax receivable	47,160	23,524	70,684
Total assets	\$ 100,574	\$ 185,116	\$ 285,690
<b>Liabilities</b>			
Accounts payable	\$ 4,556	\$ 13,578	\$ 18,134
Due to other funds	2,463	-	2,463
Total liabilities	7,019	13,578	20,597
<b>Fund Balances</b>			
Restricted for:			
Economic development and tourism	93,555	171,538	265,093
Total fund balances	93,555	171,538	265,093
Total liabilities and fund balances	\$ 100,574	\$ 185,116	\$ 285,690

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

*For the year ended September 30, 2021*

	2% Tourism Tax Fund	1% Tourism Tax Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Sales tax	\$ 214,642	\$ 113,539	\$ 328,181
	214,642	113,539	328,181
Charges for services	15,308	-	15,308
Interest	4	583	587
Contributions	3,800	-	3,800
Total revenues	233,754	114,122	347,876
<b>Expenditures</b>			
Culture and Recreation:			
Personal services	95,459	-	95,459
Supplies	13,915	-	13,915
Other services and charges	41,935	-	41,935
	151,309	-	151,309
Economic Development:			
Other services and charges	84,908	27,026	111,934
Total expenditures	236,217	27,026	263,243
Excess (deficiency) of revenues over expenditures	(2,463)	87,096	84,633
<b>Other Financing Sources (Uses)</b>			
Transfers in	48,083	-	48,083
Net other financing sources (uses)	48,083	-	48,083
Net change in fund balances	45,620	87,096	132,716
Fund balances, beginning of year	47,935	84,442	132,377
Fund balances, end of year	\$ 93,555	\$ 171,538	\$ 265,093

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

	2012 Infrastructure Bond and Interest Fund	2016 Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Parks and Recreation Bond and Interest Fund	Total Nonmajor Debt Service Funds
<i>For the year ended September 30, 2021</i>						
<b>Revenues</b>						
Property taxes	\$ 327,834	\$ 152,988	\$ 327,834	\$ 638,187	\$ -	\$ 1,446,843
Intergovernmental:						
State assistance	8,261	3,855	8,261	16,081	-	36,458
	8,261	3,855	8,261	16,081	-	36,458
Special assessments	-	-	27,037	-	-	27,037
Interest	859	358	2,017	1,091	-	4,325
Total revenues	336,954	157,201	365,149	655,359	-	1,514,663
<b>Expenditures</b>						
General government:						
Other services and charges	3,340	1,559	3,340	6,502	-	14,741
Debt service	274,168	113,938	249,367	578,388	325,006	1,540,867
Total expenditures	277,508	115,497	252,707	584,890	325,006	1,555,608
Excess (deficiency) of revenues over expenditures	59,446	41,704	112,442	70,469	(325,006)	(40,945)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	229,062	314,054	543,116
Transfers out	(116,804)	(61,362)	(50,896)	(314,054)	-	(543,116)
Net other financing sources (uses)	(116,804)	(61,362)	(50,896)	(84,992)	314,054	-
Net change in fund balances	(57,358)	(19,658)	61,546	(14,523)	(10,952)	(40,945)
Fund balances, beginning of year	121,716	49,161	142,116	183,730	30,860	527,583
Fund balances, end of year	\$ 64,358	\$ 29,503	\$ 203,662	\$ 169,207	\$ 19,908	\$ 486,638

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

	2012 Infrastructure Bond and Interest Fund	2016 Infrastructure Bond and Interest Fund	G.O. Refunding Bonds Series 2013 Bond and Interest Fund	Quisenberry Library Bond and Interest Fund	Parks and Recreation Bond and Interest Fund	Total Nonmajor Debt Service Funds
<i>For the year ended September 30, 2021</i>						
<b>Revenues</b>						
Property taxes	\$ 327,834	\$ 152,988	\$ 327,834	\$ 638,187	\$ -	\$ 1,446,843
Intergovernmental:						
State assistance	8,261	3,855	8,261	16,081	-	36,458
	8,261	3,855	8,261	16,081	-	36,458
Special assessments	-	-	27,037	-	-	27,037
Interest	859	358	2,017	1,091	-	4,325
Total revenues	336,954	157,201	365,149	655,359	-	1,514,663
<b>Expenditures</b>						
General government:						
Other services and charges	3,340	1,559	3,340	6,502	-	14,741
Debt service	274,168	113,938	249,367	578,388	325,006	1,540,867
Total expenditures	277,508	115,497	252,707	584,890	325,006	1,555,608
Excess (deficiency) of revenues over expenditures	59,446	41,704	112,442	70,469	(325,006)	(40,945)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	229,062	314,054	543,116
Transfers out	(116,804)	(61,362)	(50,896)	(314,054)	-	(543,116)
Net other financing sources (uses)	(116,804)	(61,362)	(50,896)	(84,992)	314,054	-
Net change in fund balances	(57,358)	(19,658)	61,546	(14,523)	(10,952)	(40,945)
Fund balances, beginning of year	121,716	49,161	142,116	183,730	30,860	527,583
Fund balances, end of year	\$ 64,358	\$ 29,503	\$ 203,662	\$ 169,207	\$ 19,908	\$ 486,638

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

<i>September 30, 2021</i>	Multi-Use Trails Project Fund	Senate Bill 2969 Bond Proceeds Project Fund	Lions Club Park Project Fund	Senate Bill 2002 Bond Proceeds Project Fund	Cynthia Road Bridge Project Fund	Kickapoo Road Bridge Project Fund	Magnolia Road Project Fund	Midway Road Bridge Project Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 468,468	\$ 349,545	\$ 6,031	\$ -	\$ 4,669	\$ 237,463	\$ 233,378	\$ 138,198	\$ 1,437,752
Federal assistance	242,616	-	-	-	-	-	33,305	76,049	351,970
Internal balances	3,641	-	-	-	-	-	-	52,149	55,790
Total assets	\$ 714,725	\$ 349,545	\$ 6,031	\$ -	\$ 4,669	\$ 237,463	\$ 266,683	\$ 266,396	\$ 1,845,512
<b>Liabilities</b>									
Accounts payable	\$ 88,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,623	\$ 178,309
Internal balances	235,575	-	6,031	-	-	-	3,641	72,974	318,221
Total liabilities	324,261	-	6,031	-	-	-	3,641	162,597	496,530
<b>Deferred Inflows of Resources</b>									
Unearned revenue	221,339	-	-	-	-	-	-	69,818	291,157
<b>Fund Balances</b>									
Restricted for capital projects	169,125	349,545	-	-	4,669	237,463	263,042	33,981	1,057,825
Total fund balances	169,125	349,545	-	-	4,669	237,463	263,042	33,981	1,057,825
Total liabilities, deferred inflows of resources, and fund balances	\$ 493,386	\$ 349,545	\$ 6,031	\$ -	\$ 4,669	\$ 237,463	\$ 266,683	\$ 196,578	\$ 1,554,355

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

<i>For the year ended September 30, 2021</i>	Multi-Use Trails Project Fund	Senate Bill 2969 Bond Proceeds Project Fund	Lions Club Park Project Fund	Senate Bill 2002 Bond Proceeds Project Fund	Cynthia Road Bridge Project Fund	Kickapoo Road Bridge Project Fund	Magnolia Road Project Fund	Midway Road Bridge Project Fund	Total Nonmajor Capital Projects Funds
<b>Revenues</b>									
Intergovernmental:									
State assistance	\$ 130,158	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 569,794	\$ 511,030	\$ 58,380	\$ 2,269,362
	130,158	1,000,000	-	-	-	569,794	511,030	58,380	2,269,362
Interest	847	568	81	687	3,397	163	3,133	10	8,886
Total revenues	131,005	1,000,568	81	687	3,397	569,957	514,163	58,390	2,278,248
<b>Expenditures</b>									
Public Safety:									
Capital outlay	272,112	651,023	-	139,080	1,024,171	340,393	672,395	162,597	3,261,771
Total expenditures	272,112	651,023	-	139,080	1,024,171	340,393	672,395	162,597	3,261,771
Excess of revenues over expenditures	(141,107)	349,545	81	(138,393)	(1,020,774)	229,564	(158,232)	(104,207)	(983,523)
<b>Other Financing Sources (Uses)</b>									
Transfers in	188,786	-	-	-	73,558	-	75,881	138,188	476,413
Transfers out	-	-	(6,031)	(75,881)	-	-	-	-	(81,912)
Net other financing sources (uses)	188,786	-	(6,031)	(75,881)	73,558	-	75,881	138,188	394,501
Net change in fund balances	47,679	349,545	(5,950)	(214,274)	(947,216)	229,564	(82,351)	33,981	(589,022)
Fund balances, beginning of year	121,446	-	5,950	214,274	951,885	7,899	345,393	-	1,646,847
Fund balances, end of year	\$ 169,125	\$ 349,545	\$ -	\$ -	\$ 4,669	\$ 237,463	\$ 263,042	\$ 33,981	\$ 1,057,825

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

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<b>AVAILABLE</b>				
Tourism taxes	\$ 239,000	\$ 215,000	\$ 214,153	\$ (847)
Rental income	100	278	278	-
Bankcard fees collected	630	1,900	1,870	(30)
Other revenue	-	-	3,804	3,804
Sales revenue	21,000	13,000	13,160	160
Total receipts, other than taxes	308,813	278,261	281,348	3,087
Beginning fund balance	216,636	168,429	189,774	21,345
Total Available From All Sources	\$ 525,449	\$ 446,690	\$ 471,122	\$ 24,432
<b>EXPENDITURES</b>				
Visitor center:				
Personal services	\$ 107,864	\$ 95,458	\$ 95,450	\$ (8)
Supplies:				
Costs of sales	12,630	10,630	9,622	(1,008)
Other	14,600	4,650	4,293	(357)
Other services and charges	41,867	41,967	41,935	(32)
Total visitor center	176,961	152,705	151,300	(1,405)
Tourism promotion:				
Other services and charges	84,700	85,000	84,908	(92)
Total expenditures	261,661	237,705	236,208	(1,497)
Ending fund balance	263,788	208,985	234,914	25,929
Total Expenditures and Ending Fund Balance	\$ 525,449	\$ 446,690	\$ 471,122	\$ 24,432

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<b>AVAILABLE</b>				
Tourism taxes	\$ 100,000	\$ 106,000	\$ 105,542	\$ (458)
Other revenue	-	600	583	(17)
Total receipts, other than taxes	100,000	106,600	106,125	(475)
Beginning fund balance	(54,049)	(68,915)	(68,915)	-
<b>Total Available From All Sources</b>	<b>\$ 45,951</b>	<b>\$ 37,685</b>	<b>\$ 37,210</b>	<b>\$ (475)</b>
<b>EXPENDITURES</b>				
Tourism promotion:				
Other services and charges	\$ 100,000	\$ 28,000	\$ 27,026	\$ (974)
Total expenditures	100,000	28,000	27,026	(974)
Ending fund balance	(54,049)	9,685	10,184	499
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 45,951</b>	<b>\$ 37,685</b>	<b>\$ 37,210</b>	<b>\$ (475)</b>



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

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 8,261	\$ 8,261
Interest earned	-	-	859	859
Total receipts other than taxes	-	-	9,120	9,120
Beginning fund balance	88,849	113,568	113,568	-
Total available, other than taxes	88,849	113,568	122,688	9,120
Ad valorem taxes to be provided by levy	308,640	317,000	327,312	10,312
Total Available From All Sources	\$ 397,489	\$ 430,568	\$ 450,000	\$ 19,432
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,702	\$ 3,400	\$ 3,340	\$ (60)
Debt service	276,983	274,500	274,168	(332)
Total expenditures	280,685	277,900	277,508	(392)
Ending fund balance	116,804	152,668	172,492	19,824
Total Expenditures and Ending Fund Balance	\$ 397,489	\$ 430,568	\$ 450,000	\$ 19,432

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 3,855	\$ 3,855
Interest earned	-	-	358	358
Total receipts other than taxes	-	-	4,213	4,213
Beginning fund balance	33,620	45,360	45,360	-
Total available, other than taxes	33,620	45,360	49,573	4,213
Ad valorem taxes to be provided by levy	144,033	148,000	152,745	4,745
<b>Total Available From All Sources</b>	<b>\$ 177,653</b>	<b>\$ 193,360</b>	<b>\$ 202,318</b>	<b>\$ 8,958</b>
<u>EXPENDITURES</u>				
Other services and charges	\$ 1,728	\$ 1,600	\$ 1,559	\$ (41)
Debt service	114,563	114,500	113,938	(562)
Total expenditures	116,291	116,100	115,497	(603)
Ending fund balance	61,362	77,260	86,821	9,561
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 177,653</b>	<b>\$ 193,360</b>	<b>\$ 202,318</b>	<b>\$ 8,958</b>

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 8,261	\$ 8,261
Special assessments	-	-	28,930	28,930
Interest earned	-	125	124	(1)
Total receipts other than taxes	-	125	37,315	37,190
Beginning fund balance	24,668	112,158	112,158	-
Total available, other than taxes	24,668	112,283	149,473	37,190
Ad valorem taxes to be provided by levy	308,640	317,000	327,312	10,312
Total Available From All Sources	\$ 333,308	\$ 429,283	\$ 476,785	\$ 47,502
<u>EXPENDITURES</u>				
Other services and charges	\$ 3,702	\$ 3,400	\$ 3,340	\$ (60)
Debt service	278,709	249,366	249,367	1
Total expenditures	282,411	252,766	252,707	(59)
Ending fund balance	50,897	176,517	224,078	47,561
Total Expenditures and Ending Fund Balance	\$ 333,308	\$ 429,283	\$ 476,785	\$ 47,502

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

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Homestead exemption reimbursement	\$ -	\$ -	\$ 16,081	\$ 16,081
Transfers from other funds	-	230,000	229,062	(938)
Interest earned	-	-	1,091	1,091
Total receipts other than taxes	-	230,000	246,234	16,234
Beginning fund balance	120,847	167,874	167,874	-
Total available, other than taxes	120,847	397,874	414,108	16,234
Ad valorem taxes to be provided by levy	600,821	617,000	637,166	20,166
Total Available From All Sources	\$ 721,668	\$ 1,014,874	\$ 1,051,274	\$ 36,400
<u>EXPENDITURES</u>				
Other services and charges	\$ 7,207	\$ 6,600	\$ 6,502	\$ (98)
Debt service	580,138	578,388	578,388	-
Transfers to other funds	98,443	314,053	314,054	1
Total expenditures	685,788	899,041	898,944	(97)
Ending fund balance	35,880	115,833	152,330	36,497
Total Expenditures and Ending Fund Balance	\$ 721,668	\$ 1,014,874	\$ 1,051,274	\$ 36,400

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Transfers from other funds	\$ 327,506	\$ 314,054	\$ 314,054	\$ -
Total receipts	327,506	314,054	314,054	-
Beginning fund balance	-	30,860	30,860	-
Total Available From All Sources	\$ 327,506	\$ 344,914	\$ 344,914	\$ -
<u>EXPENDITURES</u>				
Debt service	\$ 327,506	\$ 325,006	\$ 325,006	\$ -
Total expenditures	327,506	325,006	325,006	-
Ending fund balance	-	19,908	19,908	-
Total Expenditures and Ending Fund Balance	\$ 327,506	\$ 344,914	\$ 344,914	\$ -

**City of Clinton, Mississippi**  
**Budgetary Comparison Schedule**  
**Multi-Use Trails Project Fund**

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<b><u>AVAILABLE</u></b>				
Grant income	\$ 472,900	\$ 157,389	\$ 157,389	\$ -
Transfers from other funds	-	188,786	188,786	-
Interest earned	-	900	847	(53)
Total receipts	472,900	347,075	347,022	(53)
Beginning fund balance	311,583	121,410	121,410	-
<b>Total Available From All Sources</b>	<b>\$ 784,483</b>	<b>\$ 468,485</b>	<b>\$ 468,432</b>	<b>\$ (53)</b>
<b><u>EXPENDITURES</u></b>				
Capital outlay	\$ 784,483	\$ 183,426	\$ 183,426	\$ -
Total expenditures	784,483	183,426	183,426	-
Ending fund balance	-	285,059	285,006	(53)
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 784,483</b>	<b>\$ 468,485</b>	<b>\$ 468,432</b>	<b>\$ (53)</b>

**City of Clinton, Mississippi**  
**Budgetary Comparison Schedule**  
**Senate Bill 2969 Bond Proceeds Project Fund**

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Interest	-	568	568	-
Total receipts	-	1,000,568	1,000,568	-
Beginning fund balance	-	-	-	-
<b>Total Available From All Sources</b>	<b>\$ -</b>	<b>\$ 1,000,568</b>	<b>\$ 1,000,568</b>	<b>\$ -</b>
<u>EXPENDITURES</u>				
Capital outlay	\$ -	\$ 651,023	\$ 651,023	\$ -
Total expenditures	-	651,023	651,023	-
Ending fund balance	-	349,545	349,545	-
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,000,568</b>	<b>\$ 1,000,568</b>	<b>\$ -</b>

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

*For the year ended September 30, 2021*

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget-Over (Under)
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ 81	\$ 81	\$ -
Total receipts	-	81	81	-
Beginning fund balance	7,922	5,950	5,950	-
Total Available From All Sources	\$ 7,922	\$ 6,031	\$ 6,031	\$ -
<u>EXPENDITURES</u>				
Transfers to other funds	\$ -	\$ 6,031	\$ 6,031	\$ -
Total expenditures	-	6,031	6,031	-
Ending fund balance	7,922	-	-	-
Total Expenditures and Ending Fund Balance	\$ 7,922	\$ 6,031	\$ 6,031	\$ -



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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Interest earned	\$ -	\$ 688	\$ 687	\$ (1)
Total receipts	-	688	687	(1)
Beginning fund balance	36,925	214,274	214,274	-
Total Available From All Sources	\$ 36,925	\$ 214,962	\$ 214,961	\$ (1)
<u>EXPENDITURES</u>				
Capital outlay	\$ 36,925	\$ 139,080	\$ 139,080	\$ -
Transfers to other funds	-	75,882	75,881	(1)
Total expenditures	36,925	214,962	214,961	(1)
Ending fund balance	-	-	-	-
Total Expenditures and Ending Fund Balance	\$ 36,925	\$ 214,962	\$ 214,961	\$ (1)

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Transfers from other funds	\$ -	\$ 73,558	\$ 73,558	\$ -
Interest earned	-	3,400	3,397	(3)
Total receipts	-	76,958	76,955	(3)
Beginning fund balance	949,714	951,885	951,885	-
<b>Total Available From All Sources</b>	<b>\$ 949,714</b>	<b>\$ 1,028,843</b>	<b>\$ 1,028,840</b>	<b>\$ (3)</b>
<u>EXPENDITURES</u>				
Capital outlay	\$ 948,420	\$ 1,024,171	\$ 1,024,171	\$ -
Total expenditures	948,420	1,024,171	1,024,171	-
Ending fund balance	1,294	4,672	4,669	(3)
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 949,714</b>	<b>\$ 1,028,843</b>	<b>\$ 1,028,840</b>	<b>\$ (3)</b>

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<b><u>AVAILABLE</u></b>				
Grant income - State of Mississippi	\$ 610,406	\$ 569,794	\$ 569,794	\$ -
Interest earned	-	163	163	-
Total receipts	610,406	569,957	569,957	-
Beginning fund balance	9,089	7,899	7,899	-
<b>Total Available From All Sources</b>	<b>\$ 619,495</b>	<b>\$ 577,856</b>	<b>\$ 577,856</b>	<b>\$ -</b>
<b><u>EXPENDITURES</u></b>				
Capital outlay	\$ 683,964	\$ 340,393	\$ 340,393	\$ -
Total expenditures	683,964	340,393	340,393	-
Ending fund balance	(64,469)	237,463	237,463	-
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 619,495</b>	<b>\$ 577,856</b>	<b>\$ 577,856</b>	<b>\$ -</b>

**City of Clinton, Mississippi**  
**Budgetary Comparison Schedule**  
**Magnolia Road Project Fund**

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ 100,000	\$ 490,360	\$ 490,360	\$ -
Transfers from other funds	-	75,881	75,881	-
Interest earned	-	3,200	3,133	(67)
Total receipts	100,000	569,441	569,374	(67)
Beginning fund balance	-	(336,400)	(336,400)	-
<u>Total Available From All Sources</u>	<u>\$ 100,000</u>	<u>\$ 233,041</u>	<u>\$ 232,974</u>	<u>\$ (67)</u>
<u>EXPENDITURES</u>				
Capital outlay	\$ 100,000	\$ 672,396	\$ 672,395	\$ (1)
Total expenditures	-	-	-	-
Ending fund balance	100,000	233,041	232,974	(67)
<u>Total Expenditures and Ending Fund Balance</u>	<u>\$ 100,000</u>	<u>\$ 233,041</u>	<u>\$ 232,974</u>	<u>\$ (67)</u>

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

*For the year ended September 30, 2021*

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget-Over (Under)</b>
<u>AVAILABLE</u>				
Grant income - State of Mississippi	\$ 387,717	\$ -	\$ -	\$ -
Transfers from other funds	-	-	138,188	138,188
Interest earned	-	11	10	(1)
Total receipts	387,717	11	138,198	138,187
Beginning fund balance	-	-	-	-
<b>Total Available From All Sources</b>	<b>\$ 387,717</b>	<b>\$ 11</b>	<b>\$ 138,198</b>	<b>\$ 138,187</b>
<u>EXPENDITURES</u>				
Capital outlay	\$ 525,905	\$ -	\$ 162,597	\$ 162,597
Total expenditures	525,905	-	162,597	162,597
Ending fund balance	(138,188)	11	(24,399)	(24,410)
<b>Total Expenditures and Ending Fund Balance</b>	<b>\$ 387,717</b>	<b>\$ 11</b>	<b>\$ 138,198</b>	<b>\$ 138,187</b>

**City of Clinton, Mississippi**

**Schedule of Surety Bonds for Municipal Officials and Other Employees**

*For the year ended September 30, 2021*

<b>Name</b>	<b>Position</b>	<b>Surety</b>	<b>Bond Amount</b>
Phillip Fisher	Mayor	RLI Surety	\$ 25,000
Ricki Garrett	Alderwoman-at-Large	RLI Surety	\$ 100,000
Karen Godfrey	Alderwoman, Ward 1	RLI Surety	\$ 100,000
James Martin	Alderman, Ward 2	RLI Surety	\$ 100,000
William O. Barnett	Alderman, Ward 3	RLI Surety	\$ 100,000
Chip Wilbanks	Alderman, Ward 4	RLI Surety	\$ 100,000
Beverly Oliver	Alderwoman, Ward 5	RLI Surety	\$ 100,000
James Lott, III	Alderman, Ward 6	Western Surety Company	\$ 100,000
Russell Wall	City Clerk	RLI Surety	\$ 50,000
James Baldree, Jr.	Deputy City Clerk	RLI Surety	\$ 50,000
Russell Wall	Tax Assessor	Western Surety Company	\$ 50,000
Ford Hayman	Police Chief	RLI Surety	\$ 50,000
Steven D. Boone	City Judge	RLI Surety	\$ 50,000
Amanda M. Clark	Senior Court Clerk	RLI Surety	\$ 50,000
Rebecca Ann Bunch	Court Clerk	RLI Surety	\$ 50,000
Brianna A. Brooks	Court Clerk	RLI Surety	\$ 50,000
Brandy M. Williams	Court Clerk	RLI Surety	\$ 50,000
Blanket Position Bond	All employees	Western Surety Company	\$ 50,000

**REPORTS ON INTERNAL CONTROL  
AND COMPLIANCE MATTERS**

**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 21, 2022.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant



deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**

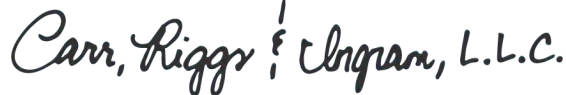
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### **City of Clinton, Mississippi's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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, LLC

Ridgeland, Mississippi  
April 21, 2022



**Carr, Riggs & Ingram, LLC**  
400 West Parkway Place  
Suite 300  
Ridgeland, MS 39157

Mailing Address:  
PO Box 2418  
Ridgeland, MS 39158

601.853.7050  
601.853.9331 (fax)  
CRLcpa.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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 21, 2022.

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 instances of noncompliance with state laws and regulations.

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

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

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi  
April 21, 2022



**Carr, Riggs & Ingram, LLC**  
400 West Parkway Place  
Suite 300  
Ridgeland, MS 39157

Mailing Address:  
PO Box 2418  
Ridgeland, MS 39158

601.853.7050  
601.853.9331 (fax)  
CRLcpa.com

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Clinton, Mississippi's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each 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 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

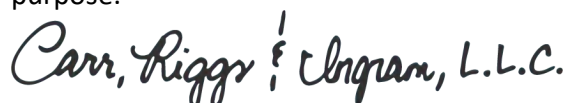
## Report on Internal Control over Compliance

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi  
April 21, 2022

**City of Clinton, Mississippi**  
**Schedule of Findings and Questioned Costs**

**PART I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |                                                                                  |               |
|----------------------------------------------------------------------------------|---------------|
| 1. Type of auditors’ report issued                                               | Unmodified    |
| 2. Internal control over financial reporting:                                    |               |
| a. Material weaknesses identified?                                               | Yes           |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| c. Noncompliance material to the financial statements noted?                     | No            |

*Federal Awards:*

- |                                                                                                              |               |
|--------------------------------------------------------------------------------------------------------------|---------------|
| 1. Type of auditors’ report issued on compliance for major programs/projects                                 | Unmodified    |
| 2. Internal control over major programs/projects:                                                            |               |
| a. Material weaknesses identified?                                                                           | No            |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None reported |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No            |
| 4. Identification of major programs:                                                                         |               |

**Federal Programs**

**CFDA Number**

Highway Planning and Construction Cluster

20.205

- |                                                                                     |           |
|-------------------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B federal programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee for federal purposes?                    | No        |

**City of Clinton, Mississippi**  
**Schedule of Findings and Questioned Costs**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding:**

Finding #: 2021-001: Financial Close Adjustments

Finding Type: Material Weakness

**Criteria:** An effective internal control system should ensure that all transactions and adjustments are properly initiated, authorized, recorded, processed, and reported in the financial statements. Accounting procedures and controls should be sufficient to ensure that transactions and account balances are complete and accurately recorded and reported in the proper period and that any errors are prevented or detected and corrected in a timely manner.

**Condition:** The City maintains its financial statements on a modified-cash basis of accounting. As part of the financial close process, adjustments are required to record certain accruals in order for certain expenditures to be recorded in the proper period.

**Cause:** The internal controls over the City's financial close process did not provide for an independent review of certain accruals required during the year end financial close process.

**Effect:** The City did not prepare and record accrual adjustments for four invoices required as part of the financial close process.

**Recommendation:** We recommend that a separate, independent review of all year end accruals be performed to ensure the inclusion of all necessary adjustments are prepared, reviewed and reported in the modified-cash basis financial statements.

**Views of responsible officials:** An independent review of a year end accruals will be performed to ensure all necessary adjustments are prepared, reviewed and reported in the modified-cash basis financial statements.

## City of Clinton, Mississippi

### Schedule of Findings and Questioned Costs

#### SECTION II – FINANCIAL STATEMENT FINDINGS

##### Finding:

Finding #: 2021-002: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Finding Type: Material Weakness

**Criteria:** The City is required by the Code of Federal Regulations (CFR) 2 CFR 200.508(b) to prepare appropriate financial statements including the SEFA in accordance with 2 CFR 200.510. The City is required to prepare and present a complete and accurate SEFA each year if total federal expenditures for the year exceed \$750,000. Determination of federal expenditures must be made in accordance with relevant cost principles, terms of awards, and sources of expended funds. In addition, the City must identify in its accounts all federal awards received and expended, as well as the federal programs under which they were received. This enables the City to reconcile amounts presented in the financial statements to the amounts reported in the SEFA.

**Condition:** The City did not identify all federal expenditures for accrual as part of the financial close process for the year ended September 30, 2021.

**Cause:** The internal controls over the City's financial close process did not provide for an independent review of certain accruals required during the year end financial close process.

**Effect:** The SEFA did not contain all expenditures of federal awards required to be reported.

**Recommendation:** We recommend that a separate, independent review of all year end accruals be performed to ensure the inclusion of all necessary adjustments are prepared and reported in the modified-cash basis financial statements. The independent review should also allow for review of the accruals to determine if any should be included in the preparation of the SEFA.

**View of responsible officials:** An independent review of a year end accruals will be performed to ensure all necessary adjustments are prepared, reviewed and reported as federal expenditures in the SEFA, if applicable.

#### SECTION III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

None

**City of Clinton, Mississippi**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended September 30, 2021**

*For the year ended September 30, 2021*

<b>Federal Agency Pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Contract/ Grant Number</b>	<b>Expenditures</b>	<b>Payments to Subrecipients</b>
<b>Department of Transportation</b>				
Passed Through Mississippi Department of Transportation:				
Highway Planning and Construction Cluster	20.205	STP-7266-00(001) LPA/108124-701000	\$ 128,198	\$ -
Highway Planning and Construction Cluster	20.205	STP-7340-00(001) LPA/107581-701000	289,397	-
Highway Planning and Construction Cluster	20.205	STP-0049-00(021) LPA/107846-701000	192,855	-
<b>Total Department of Transportation</b>			<b>610,450</b>	<b>-</b>
<b>Department of Defense</b>				
Passed Through the U. S. Army Corps of Engineers:				
Flood Plain Management Services	12.104	*	\$ 158,642	\$ -
<b>Total Department of Defense</b>			<b>158,642</b>	<b>-</b>
<b>Department of Homeland Security</b>				
Passed Through Mississippi Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4598	\$ 22,729	\$ -
Passed Through Mississippi Department of Public Safety:				
Homeland Security Grant Program	97.067	19LE147B	22,623	-
Homeland Security Grant Program	97.067	20LE147B	73,070	-
Homeland Security Grant Program	97.067	N20LE147B	61,369	-
<b>Total Homeland Security Grant Program</b>			<b>157,062</b>	<b>-</b>
<b>Total Department of Homeland Security</b>			<b>179,791</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 948,883</b>	<b>\$ -</b>

\* Information not provided by grantor

*See accompanying notes to schedule of expenditures of federal awards.*



**City of Clinton, Mississippi**  
**Notes to the Schedule of Expenditures of Federal Awards**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal spending of the City of Clinton, Mississippi (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

**Note 2: INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2021, the City did not elect to use this rate.

**Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES**

The City did not have any federal loans or loan guarantees outstanding during the year ended September 30, 2021.

**NOTE 4: SUB-RECIPIENTS**

During the year ended September 30, 2021, the City had no sub-recipients.

**Note 5: NONCASH ASSISTANCE AND OTHER**

The City did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2021.

**Note 6: CONTINGENCIES**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

**Note 7: FEDERAL PASS-THROUGH FUNDS**

The City is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

## City of Clinton, Mississippi Corrective Action Plan



### City of Clinton, Mississippi Corrective Action Plan

Phil Fisher, Mayor

Karen Godfrey  
Ward One

Jim Martin  
Ward Two

William D. Barnett  
Ward Three

Chip Williams  
Ward Four

Beverly Oliver  
Ward Five

James Loft  
Ward Six

Wick Garrett  
Ward Seven

Russell L. Wall  
City Clerk

#### Finding #: 2021-001: Financial Close Adjustments

**Condition:** The City maintains its financial statements on a modified-cash basis of accounting. As part of the financial close process, adjustments are required to record certain accruals in order for certain expenditures to be recorded in the proper period.

#### Person responsible for corrective action:

Russell Wall, CFO / City Clerk  
City of Clinton, Mississippi  
300 Jefferson Street  
Clinton, MS 39060  
601.924.5474

**Corrective action plan:** An independent review of a year end accruals will be performed to ensure all necessary adjustments are prepared, reviewed and reported in the modified-cash basis financial statements.

**Anticipated completion date:** September 30, 2022

#### Finding #: 2021-002: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

**Condition:** The City did not identify all federal expenditures for accrual as part of the financial close process for the year ended September 30, 2021.

#### Person responsible for corrective action:

Russell Wall, CFO / City Clerk  
City of Clinton, Mississippi  
300 Jefferson Street  
Clinton, MS 39060  
601.924.5474

**Corrective action plan:** An independent review of a year end accruals will be performed to ensure all necessary adjustments are prepared, reviewed and reported as federal expenditures in the SEFA, if applicable.

**Anticipated completion date:** September 30, 2022

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t: (601) 924-5474 | f: (601) 925-4605 | w: clintonms.org | P.O. Box 156, 300 Jefferson Street, Clinton, MS 39060