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 CLARKSDALE, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2022

bridgers
Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants

CITY OF CLARKSDALE, MISSISSIPPI
TABLE OF CONTENTS

FINANCIAL SECTION....1
INDEPENDENT AUDITOR'S REPORT....2
FINANCIAL STATEMENTS....7
Statement of Net Position....8
Statement of Activities....9
Balance Sheet – Governmental Funds....10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position....11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds....12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities....13
Notes to Financial Statements....14
REQUIRED SUPPLEMENTARY INFORMATION....42
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund....43
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Major Fund ARPA Fund....44
Major Fund Capital Improvement Fund....45
Schedule of City's and Component Units Proportionate Share of the Net Pension Liability (PERS)....46
Schedule of City's and Component Units Contributions - Pension (PERS) and (MMRS)....48
Schedule of Change in the Net Pension Liability - Pension (MMRS)....50
Notes to the Required Supplementary Information....51
SUPPLEMENTARY INFORMATION....55
Schedule of Expenditures of Federal Awards....56
Notes to the Schedule of Expenditures of Federal Awards....57
OTHER INFORMATION....58
Schedule of Surety Bonds for City Officials....59
Reconciliation of Tax Assessments to Fund Collections - 2021 Tax Rolls....60
Schedule of Long-Term Debt....62
STATISTICAL INFORMATION....63
Governmental Revenues by Source....64
Governmental Expenditures by Function....65
Computation of Legal Debt Margin....66
SPECIAL REPORTS....67
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*....68
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance....70
Independent Auditor's Report on Compliance with State Laws and Regulations....73
Limited Internal Control and Compliance Review Management Report....74
SCHEDULE OF FINDINGS AND QUESTIONED COST....79
Schedule of Findings and Questioned Cost....80
Auditee's Corrective Action Plan....82

CITY OF CLARKSDALE, MISSISSIPPI

FINANCIAL SECTION

bridgers
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Certified Public Accountants

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GOVERNMENT AUDIT QUALITY CENTER

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
City of Clarksdale
Clarksdale, Mississippi

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Clarksdale, Mississippi (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, based on our audit and the report of other auditors, except for the possible effects of the matter described in the "*Basis for Qualified and Unmodified Opinions*" section of our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Clarksdale, Mississippi, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Clarksdale, Mississippi, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions.

Matters Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Clarksdale Park Commission have not been audited, and we were not engaged to audit the Clarksdale Park Commission's financial statements as part of our audit of the City's basic financial statements. The Clarksdale Park Commission's financial activities are included in the City's basic financial statements as a discretely presented component unit and represent .51 percent, .49 percent, and 1.07 percent of the assets, net position, and receipts, respectively, of the City's aggregate discretely presented component units.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such

procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and corresponding notes, the Schedule of the City's Proportionate Share of the Net Pension Liability, and the Schedule of City Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Omission of Required Supplementary Information

The City of Clarksdale, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clarksdale, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulation*s Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for City Officials and the Reconciliation of Tax Assessments to Fund Collections - 2021 Tax Rolls - but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The accompanying section of Statistical Information on page 63, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2026, on our consideration of the City of Clarksdale, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Clarksdale, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

Government Auditing Standards in considering the City of Clarksdale, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Madison, Mississippi
September 8, 2026

CITY OF CLARKSDALE, MISSISSIPPI

FINANCIAL STATEMENTS

CITY OF CLARKSDALE, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2022

	Primary Government	Component Units		
	Governmental Activities	Clarksdale Public Utilities	Clarksdale Park Commission	Total Components Units
ASSETS				
Cash and cash equivalents	$ 16,119,190	$ 9,716,115	$ 179,836	$ 9,895,951
Property tax receivable			168,000	168,000
Receivables:				
Customer accounts receivable, net		2,496,385		2,496,385
Refuse and mosquito receivable		257,116		257,116
Unbilled revenue receivable		1,144,541		1,144,541
Franchise tax receivable	50,448			
Fines receivable (net of allowance for uncollectibles of $7,883,551)	426,250			
Intergovernmental receivable	518,050		19,704	19,704
Other receivables		408,060		408,060
Prepaid expenses		164,388		164,388
Inventory		452,395		452,395
Restricted assets:				
Cash and investments	7,010	1,285,097		1,285,097
Non-current accounts receivable		93,705,123		93,705,123
Non-current investments-MDEA		2,344,046		2,344,046
Capital assets, net				
Land and construction in progress	2,130,645	627,475	295,841	923,316
Other capital assets, net	12,080,489	56,327,406	194,766	56,522,172
Total Assets	31,332,082	168,928,147	858,147	169,786,294
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	2,166,031	1,282,855	244,639	1,527,494
Total Deferred Outflows of Resources	2,166,031	1,282,855	244,639	1,527,494
LIABILITIES				
Accounts payable and accrued expenses	12,228	2,633,753	17,166	2,650,919
Liabilities payable from restricted assets:	7,010	1,265,188		1,265,188
Intergovernmental payable	67,089			
Accrued interest payable	112,875	11,085,071		11,085,071
Unearned revenue	1,853,277			
Cash overdraft		508,081		508,081
Long-term liabilities:				
Due within one year:				
Leases payable	5,820	2,400		2,400
Capital debt	1,252,817	275,016		275,016
Due in more than one year:				
Leases payable	13,172	3,600		3,600
Capital debt	11,269,480	118,800,036		118,800,036
Non-capital related debt	438,510		17,438	17,438
Net pension liability	22,000,434	10,579,990	622,861	11,202,851
Total Liabilities	37,032,712	145,153,135	657,465	145,810,600
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	4,996	1,335,510	161,176	1,496,686
Deferred inflows related to property taxes			168,000	168,000
Total deferred inflows of resources	4,996	1,335,510	329,176	1,664,686
NET POSITION				
Net investment in capital assets	1,669,845	(62,126,171)	490,607	(61,635,564)
Restricted:				
Expendable:				
Public safety	106,075			
Capital projects	490,944			
Crossroads project		84,253,930		84,253,930
Debt service	153,509			
Unrestricted	(5,959,968)	1,594,598	(374,462)	1,220,136
Total Net Position	$ (3,539,595)	$ 23,722,357	$ 116,145	$ 23,838,502

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSDALE, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government Governmental Activities	Component Units: Clarksdale Public Utilities	Component Units: Clarksdale Park Commission	Component Units: Total Component Units
Primary government:								
Governmental activities:								
General government	$ 2,371,761	121,258			(2,250,503)			
Public safety	6,350,350	16,507	188,361		(6,145,482)			
Highways and streets	2,467,898		721,343		(1,746,555)			
Health and sanitation	2,335,763	1,799,576			(536,187)			
Culture and recreation	488,148	14,433			(473,715)			
Economic development	139,842				(139,842)			
Internal service	200,384				(200,384)			
Interest on long-term debt	509,742				(509,742)			
Pension expense	2,023,061				(2,023,061)			
Total Primary Government	$ 16,886,949	1,951,774	909,704	-	(14,025,471)			
Component Units:								
Clarksdale Public Utilities	$ 36,073,487	28,663,946				(7,409,541)		(7,409,541)
Clarksdale Park Commission	494,178	16,935		18,464			(458,779)	(458,779)
Total Component Units	$ 36,567,665	28,680,881	-	18,464				(7,868,320)
	General revenues:							
	Property taxes				$ 7,148,800		163,602	163,602
	Sales tax				2,930,322			
	Franchise taxes				509,357			
	Rental income				61,852			
	Unrestricted interest income				111,667	68,050	112	68,162
	Grants and contributions not restricted to specific programs				2,149,929		180,587	
	Miscellaneous				774,890	8,313,800	12,530	8,326,330
	Transfers, net					(664,770)		(664,770)
	Total general revenues				13,686,817	7,717,080	356,831	8,073,911
	Change in net position				(338,654)	307,539	(101,948)	205,591
	Net Position - beginning, as previously reported				(1,144,277)	22,772,328	218,093	22,990,421
	Prior period adjustments				(2,056,664)	642,490		642,490
	Net position - beginning, as restated				(3,200,941)	23,414,818	218,093	23,632,911
	Net Position - ending				$ (3,539,595)	23,722,357	116,145	23,838,502

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSDALE, MISSISSIPPI
BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2022

	Major Funds						
	General Fund	ARPA Fund	Capital Improvement Fund	Urban Renewal Bond Series 2020	Urban Renewal Bond Series 2022	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 3,817,304	$ 1,864,019	$ 2,193,325	$ 2,627,494	$ 4,867,981	$ 756,077	$ 16,126,200
Receivables:							
Franchise fee	50,448						50,448
Fines receivable (net of allowance for uncollectibles of $7,883,551)	426,250						426,250
Intergovernmental receivable	512,936					5,114	518,050
Total Assets	4,806,938	1,864,019	2,193,325	2,627,494	4,867,981	761,191	17,120,948
LIABILITIES							
Accounts payable and accrued expense	1,565					10,663	12,228
Due to outside agency	67,089						67,089
Unearned revenue		1,853,277					1,853,277
Customer deposits	7,010						7,010
Total Liabilities	75,664	1,853,277	-	-	-	10,663	1,939,604
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - fines	426,250						426,250
Total Deferred Inflows of Resources	426,250	-	-	-	-	-	426,250
FUND BALANCES							
Restricted for:							
Public safety						106,075	106,075
Capital projects			2,193,325	2,627,494	4,867,981	490,944	10,179,744
Debt service						153,509	153,509
Unassigned	4,305,024	10,742					4,315,766
Total Fund Balances	4,305,024	10,742	2,193,325	2,627,494	4,867,981	750,528	14,755,094
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,806,938	$ 1,864,019	$ 2,193,325	$ 2,627,494	$ 4,867,981	$ 761,191	$ 17,120,948

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSDALE, MISSISSIPPI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended September 30, 2022

	Amount
Total fund balance - governmental funds	$ 14,755,094
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, net of accumulated depreciation $15,963,929.	14,211,134
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	426,250
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	
capital debt	(12,522,297)
leases payable	(18,992)
compensated absences	(438,510)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(22,000,434)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund financial statements:	
deferred outflows of resources related to pensions	2,166,031
deferred inflows of resources related to pensions	(4,996)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(112,875)
Total Net Position - Governmental Activities	$ (3,539,595)

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSDALE, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Major Funds						
	General Fund	ARPA Fund	Capital Improvement Fund	Urban Renewal Bond Series 2020	Urban Renewal Bond Series 2022	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	$ 5,736,312					$ 773,422	$ 6,509,734
Licenses and permits	44,526						44,526
Intergovernmental:							
Federal grants		1,808,341					1,808,341
State of Mississippi:							
General sales tax	2,930,322						2,930,322
Liquor licenses	16,650						16,650
Gasoline tax	14,232						14,232
Fire protection						188,361	188,361
Homestead reimbursement	181,418					19,224	200,642
Grand Gulf nuclear	11,785						11,785
Municipal aid	8,943						8,943
Other state revenue-grants	7,322						7,322
MS Infrastructure Act	721,343						721,343
Charges for services	1,839,476						1,839,476
Local:							
Road maintenance tax	227,970						227,970
Railroad tax	54,686						54,686
Franchise tax	509,357						509,357
Fines and forfeitures	90,430						90,430
Interest income	35,161	10,561	9,072	20,254	31,481	5,138	111,667
Rental income	9,352					52,500	61,852
CPC-utility reimburesment	664,770						664,770
Other income	110,120						110,120
Total revenues:	13,214,175	1,818,902	9,072	20,254	31,481	1,038,645	16,132,529
EXPENDITURES:							
Current:							
General government	2,013,664	384,706					2,398,370
Public safety	5,713,085	975,030				71,344	6,759,459
Highways and streets	1,787,108	315,929		1,226,479		5,560	3,335,076
Health and sanitation	2,130,978	62,678					2,193,656
Culture & recreation	431,685	41,036					472,721
Economic development	110,880	28,962					139,842
Internal service	227,696						227,696
Debt service:							
Principal paid	77,487					707,761	785,248
Interest paid	61,075					195,718	256,793
Bond issuance cost					163,500		163,500
Total expenditures:	12,553,658	1,808,341	-	1,226,479	163,500	980,383	16,732,361
Excess of Revenues over (under) Expenditures	660,517	10,561	9,072	(1,206,225)	(132,019)	58,262	(599,832)
OTHER FINANCING SOURCES (USES):							
Proceeds from issuance of debt	16,934				5,000,000		5,016,934
Transfers in	226,856		1,085,000			55,196	1,367,052
Transfers out	(1,140,196)		(181,417)			(45,439)	(1,367,052)
Net other financing sources (uses)	(896,406)	-	903,583	-	5,000,000	9,757	5,016,934
Net change in fund balances	(235,889)	10,561	912,655	(1,206,225)	4,867,981	68,019	4,417,102
Fund balances - beginning, as previously reported	4,617,353	517	1,280,670	3,833,719	-	606,069	10,338,328
Fund reclassification	(76,440)					76,440	-
Adjustments		(336)					(336)
Fund balances - beginning, as restated	4,540,913	181	1,280,670	3,833,719	-	682,509	10,337,992
Fund balance - ending	$ 4,305,024	$ 10,742	$ 2,193,325	$ 2,627,494	$ 4,867,981	$ 750,528	$ 14,755,094

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSDALE, 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, 2022

	Amount
Net changes in fund balances - governmental funds	$ 4,417,102
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 allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of $1,131,737 exceeded depreciation expense of $946,047.	185,690
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(22,658)
The proceeds of long-term debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of $5,016,934 exceeds debt repayment of $785,248.	(4,231,686)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the balance by a combination of the following items:	
Compensated absences	(97,577)
Change in accrued interest on long-term debt	(89,449)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(2,023,061)
Recording of contributions made prior and subsequent to the measurement date	1,522,985
Change in net position of governmental activities	$ (338,654)

The notes to the financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Clarksdale (the "City"), located in Coahoma County, Mississippi, was chartered February 9, 1836, under the laws of the State of Mississippi. The City operates under an elected Mayor-Commission form of government and provides services as authorized by its charter to the citizenry: general administration, public safety (police), public works, and economic and community development. The City's fiscal year runs from October 1st to the following September 30th. The primary sources of revenue are property taxes and sales taxes.

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the City's governing board. As required by generally accepted accounting principles in the United States of America (GAAP), various criteria are applied in order to determine any component units that should be reported as part of the City. Such criteria include management oversight responsibility by the elected officials such as decision-making authority, accountability to the City, legal and financial responsibility, and inter-agency relationships. Based upon the application of these criteria, the City reports the following component units required by GAAP to be reported as part of the reporting entity of the City.

Discretely Presented Component Units

The component unit's columns in the financial statements include the financial data of the following component units of the City. They are reported in a separate column to emphasize that they are legally separate from the City.

Clarksdale Public Utilities

The members of Clarksdale Public Utilities (CPU) governing board are appointed by the City. Clarksdale Public Utilities', which has a September 30 year-end, is presented as if it were a proprietary fund (discrete presentation) on a separate column in the City's government-wide financial statements in order to emphasize that it is legally separate from the city. Complete financial statements for CPU may be obtained from the entity's administrative offices.

Clarksdale Park Commission

The governing authorities of the City select a majority of the Park Commission's board, approve the Park Commission's budget and provide discretionary funding to operate the Park Commission, without which the Park Commission could not exist.

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements, and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the City as a whole. The statements include all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which the governmental functions are self-financing or draws from the general revenues of the City.

Fund Financial Statements:

Fund financial statements of the City are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures. Funds are organized into governmental and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental funds are reported in separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting

The Government-wide and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the City. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

Governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recognized only when payment is due. Property taxes, state

appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The City reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

ARPA Fund (American Recovery Protection Act) - The fund is used to account for monies from the U. S. Department of Treasury that are to be expended based on prescribed compliance and reporting.

Capital Improvement Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Urban Renewal Bond Series 2020 – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Urban Renewal Bond Series 2022 - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Additionally, the City may report the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

FIDUCIARY FUND TYPE

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

D. Account Classifications.

The account classification used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Deposits and Investments

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality, or school district of this state. Further, the City may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the City did not invest in any governmental securities during the fiscal year.

F. Receivables

Receivables are reported net of allowance for uncollectible accounts, where applicable.

G. Capital Assets

Capital asset acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, cost have been estimated and the methods of cost estimation, are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements.

Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year.

The following schedule details those thresholds and estimated useful lives:

Asset Classification		Capitalization Thresholds		Estimated Useful Life
Land	$	-0-		N/A
Infrastructure		-0-		20-50 years
Building		50,000		40 years
Improvements other than buildings		25,000		20 years
Mobile equipment and machinery		1,000		5-10 years
Furniture and equipment		1,000		3-7 years
Intangible assets		**		**

** Intangible assets for the City represent right-to-use leased assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized. The term "depreciation" includes the amortization of intangible assets.

H. 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.

Deferred outflows related to pensions – This amount represents the City's proportionate share of the deferred outflows of resources reported by the pension plan in which the City participates. See Note 10 for additional details.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred revenues – property taxes/unavailable revenue – property taxes - Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines - When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Deferred inflows related to pensions – This amount represents the City's proportionate share of the deferred inflows of resources reported by the pension plan in which the City participates. See Note 10 for additional details.

I. Leases.

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The City uses the Federal Prime Borrowing Rate in effect at the date of the lease inception to calculate the present value of lease payments when the rate implicit in the lease is not known when the City is the lessee. See Note 9 for details.

J. Pensions

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

K. Long-Term Liabilities

Long-term liabilities are the unmatured principal of bonds, loans, notes, or other forms of non-current or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances but may also include liabilities on financed purchases and other commitments.

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

L. Equity Classifications

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Government fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the City:

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

M. Risk Management

The City carries commercial insurance with respect to risks including, but not limited to, property damage and personal injury. Insurance coverage remains relatively constant, and settlement amounts have not exceeded insurance coverage for the current year.

N. Estimates and Assumptions

A number of estimates and assumptions relating to the reporting of revenues, expense, expenditures, assets and liabilities, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

O. Property Tax Revenues

Numerous statutes exist under which the City may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The City entered an inter-local agreement with the Coahoma County Tax Collector for the billing and collection of its real and personal property taxes, motor vehicle, and mobile home. Taxes are billed, collected, and remitted to the City by the Coahoma County Tax Collector each month. The total millage rate for the City for the 2022 property taxes was 70.00 mills for the general fund, 2.00 mills for parks, 3.00 mills for library, 3.00 mills delta blues museum, 10.00 bond & interest, and 5.38 mills for fire & police disability.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

P. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements, and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

Q. Compensated Absences

The City has adopted a policy of compensation for accumulated unpaid employee annual/personnel leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

The City's employees accumulate annual/personal leave in following manner: Annual/Personal leave is defined as paid time off from work which a regular full-time city employee accrues annually for each month of employment, in amounts determined by the length of the employee's city service. Annual/personal leave shall be earned from the date of full-time employment. The rate of accrual is based

on the employee's years of continuous service and range from 7.00 to 18.00 hours per month equating to 10.50 to 27.00 days per year.

Employees are encouraged to take vacations annually but can carry over accumulated annual/personal leave. Otherwise, employees can use no more than 30 days in one calendar year. At the time of an employee's separation, no more than 30 days of unused annual/personal leave shall be paid at the current rate of salary. Any unused vacation not paid at termination or retirement may be certified to PERS for leave conversion if it meets qualifying conditions.

R. Changes in Accounting Standards

GASB 87, *Leases*, was implemented during fiscal year 2022. 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. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

NOTE 2: BUDGET POLICY

Budgets are adopted on a basis consistent with state statutes which require the cash basis of accounting for revenues and the modified accrual basis of accounting for expenditures. Annual appropriated budgets are adopted for all funds. Project-length financial plans are adopted for all capital projects funds. The budget of the City has been amended in accordance with procedures adopted by the State of Mississippi.

Mississippi laws require that municipalities budget revenue and expenditures on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principal. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws and the statement of revenues, expenditures, and fund balance be prepared according to the modified-accrual basis (GAAP). The major reconciling items between the budgetary and GAAP presentations are presented on the "budget to actual" statements.

NOTE 3: DEPOSITS

Deposits

The carrying amount of the City's total deposits with financial institutions at September 30, 2022, was $16,163,616 and the bank balance was $16,635,827. The collateral for public entities' deposits in financial institutions is 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 Annotated (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 deposits not covered by the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. 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 (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

NOTE 4: PRIOR PERIOD ADJUSTMENTS

A summary of the significant net position/fund balance adjustment(s) is as follows:

Statement of Activities: Governmental Activities	
Explanation	Amount
To adjust error in accounting	$ (336)
To adjust deferred outflows related to pension	(236,911)
To record deferred outflow police and fire pension	29,328
To adjust fixed assets to client records	2,242,630
To record pension liability fire & police	(3,895,395)
To adjust deferred inflows related to pension	(272,790)
To record deferred inflow police and fire pension	(137,607)
To correct prior long-term debt	(202,921)
To record prior year interest payable	(23,426)
To record lease payable	(8,144)
To record beginning fines receivable	448,908
	$ (2,056,664)

Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental	
Explanation	Amount
To adjust error in accounting	$ (336)
	$ (336)

NOTE 5: INTER-FUND TRANSACTIONS AND BALANCES

Transfer In	Transfer Out	Amount
General Fund	Capital Improvement Fund	$ 181,417
General Fund	Other Governmental Funds	$ 45,439
Capital Improvement Fund	General Fund	$ 1,085,000
Other Governmental Funds	General Fund	$ 55,196
Total		$ 1,367,052

The purpose of the transfers was to provide for operational expenditures.

NOTE 6: RECEIVABLES AND UNCOLLECTIBLES

Inter-Governmental and Other Receivables

In the government-wide financial statements, the receivables and related revenues include all amounts due to the City regardless of when cash is received. In the governmental fund financial statements, the revenues are offset, and revenue recognition deferred by the amounts not received within 60 days of fiscal year-end. Intergovernmental and Other receivables at September 30, 2022, include the following:

Governmental Activities

Description	Amount
Inter-governmental Receivables:	
State	$ 382,326
Local	135,724
TOTAL	$ 518,050

Description	Amount
Other Receivables:	
Franchise fee	$ 50,448
Fines receivable (net of allowance for uncollectibles of $7,883,551)	426,250
TOTAL	$ 476,698

NOTE 7: RESTRICTED ASSETS

Description	Governmental Activities
Customer deposits	$ 7,010
Total	$ 7,010

NOTE 8: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	$ 1,700,373				$ 1,700,373
Construction in progress	-	430,272			430,272
Total non-depreciable capital assets	1,700,373	430,272	-	-	2,130,645
Depreciable capital assets:					
Buildings	15,860,036				15,860,036
Machinery & equipment	764,186	39,434		(4,884)	798,736
Furniture and fixtures	301,315	17,404			318,719
Vehicles	6,927,144	565,693		466,466	7,959,303
Improvements other than buildings	3,005,777	62,000			3,067,777
Intangible right to use assets					
Equipment	-	16,934		22,913	39,847
Total depreciable capital assets	26,858,458	701,465	-	484,495	28,044,418
Less accumulated depreciation for:					
Buildings	7,533,519	396,501			7,930,020
Machinery & equipment	712,616	39,934		(60,680)	691,870
Furniture and fixtures	111,232	31,185		50,225	192,642
Vehicles	7,209,906	351,848		(1,770,891)	5,790,863
Improvements other than buildings	1,208,744	120,486		8,620	1,337,850
Intangible right to use equipment					
Equipment	-	6,093		14,591	20,684
Total accumulated depreciation	16,776,017	946,047	-	(1,758,135)	15,963,929
Depreciable capital assets, net	10,082,441	(244,582)	-	2,242,630	12,080,489
Governmental activities capital assets, net	$ 11,782,814	185,690	-	2,242,630	$ 14,211,134

Total capital assets, net, excluding intangible right to use assets	$ 14,191,971
Intangible right to use assets, net	19,163
Total capital assets, net, as reported in the statement of net position	$ 14,211,134

Depreciation expense, which includes amortization, was charged to the governmental functions, as follows:

GOVERNMENTAL ACTIVITIES	Amount
General Government	$ 226,812
Public safety	336,944
Highways & streets	165,632
Health & sanitation	193,353
Culture & recreation	20,571
Internal service	2,735
Total governmental activities depreciation	$ 946,047

Capital Assets - Component Units

Clarksdale Public Utilities	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	$ 627,475				627,475
Total non-depreciable capital assets	627,475	-	-	-	627,475
Depreciable capital assets:					
Structure and improvements	17,034,646	52,491			17,087,137
Equipment	211,236,813	349,986			211,586,799
Intangible right to use assets	-	7,200			7,200
Total depreciable capital assets	228,271,459	409,677	-	-	228,681,136
Less accumulated depreciation for:					
Structure and improvements	13,379,354	5,350,634			18,729,988
Equipment	153,188,493	434,049			153,622,542
Intangible right to use assets	-	1,200			1,200
Total accumulated depreciation	166,567,847	5,785,883	-	-	172,353,730
Total depreciable capital assets, net	61,703,612	(5,376,206)	-	-	56,327,406
Total capital assets, net	$ 62,331,087	(5,376,206)	-	-	56,954,881

Clarksdale Park Commission	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	$ 295,841				295,841
Total non-depreciable capital assets	295,841	-	-	-	295,841
Depreciable capital assets:					
Buildings	37,945				37,945
Swimming pool	234,334				234,334
Mobile equipment	53,299				53,299
Other motor equipment	69,334				69,334
Equipment	96,206	14,400			110,606
Total depreciable capital assets	491,118	14,400	-	-	505,518
Less accumulated depreciation for:					
Buildings	959	759			1,718
Swimming pool	128,899	21,529			150,428
Mobile equipment	42,030	2,970			45,000
Other motor equipment	54,146	546			54,692
Equipment	51,608	7,306			58,914
Total accumulated depreciation	277,642	33,110	-	-	310,752
Total depreciable capital assets, net	213,476	(18,710)	-	-	194,766
Total capital assets, net	$ 509,317	(18,710)	-	-	490,607

NOTE 9: LEASES

The City is a lessee for a non-cancellable lease of a building. For leases that have a maximum possible term of 12 months or less at commencement, the City recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the City recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal

portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation expense, which includes amortization, on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a City or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the City and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

As Lessee:

Lease Assets	Balance Oct. 1, 2021	Additions	Amortization	Balance Sept. 30, 2022
Equipment	$ -	39,847	20,684	19,163
Total	-	39,847	20,684	19,163

See Note 8 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities	Balance Oct. 1, 2021	Additions	Amortization	Balance Sept. 30, 2022
Buildings	-		-	-
Equipment	$ -	25,078	6,086	18,992
Total	-	25,078	6,086	18,992

The City has entered into a lease agreement with a lessor for the lease of the following listed item.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Equipment	3.50%	Various	Various	Various	$ 341	$ 18,992

The following is a schedule by years of the total payments due as of September 30, 2022:

Year Ending September 30,	Governmental Activities Principal	Interest
2023	5,820	568
2024	5,795	368
2025	4,635	173
2026	1,922	65
2027	820	7
Total	$ 18,992	$ 1,181

NOTE 10: DEFINED BENEFIT PENSION PLAN

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System

General Information about the Pension Plan

Plan Description. The City of Clarksdale contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. 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 PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. As of September 30, 2022, PERS members were required to contribute 9% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2022, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the year ending September 30, 2022, 2021, and 2020 were $1,084,561, $970,38, and $936,814, respectively equal to the required contribution for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the City reported a liability of $18,210,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The City's proportionate share used to calculate the September 30, 2022, net pension liability was 0.088470 percent, which was based on a measurement date of June 30, 2022. This was an increase of 0.00571 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of $1,870,782. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Clarksdale-PERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 187,444	
Net difference between projected and actual earnings on pension plan investments	447,372	
Changes of assumptions	589,211	
Changes in the proportion and differences between actual contributions and proportionate share of contributions	580,018	4,996
Contributions subsequent to the measurement date	289,427	
	$ 2,093,472	4,996

The $289,427 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Clarksdale-PERS

Year ending September 30:	Amount
2023	$ 453,994
2024	297,861
2025	59,051
2026	988,143
Total	$ 1,799,049

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Description	Assumptions
Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates 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 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 actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016, to June 30, 2020. The experience report is dated April 20, 2021.

The long-term expected rate of return on 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.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00%	4.60%
International Equity	20.00%	4.50%
Global Equity	12.00%	4.85%
Fixed Income	18.00%	1.40%
Real Estate	10.00%	3.65%
Private Equity	10.00%	6.00%
Private Infrastructure	2.00%	4.00%
Private Credit	2.00%	4.00%
Cash Equivalents	1.00%	-0.10%
	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was 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 total pension liability.

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

City of Clarksdale-PERS	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	$ 23,766,361	18,210,346	13,629,694

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

CITY OF CLARKSDALE COMPONENT UNITS

Clarksdale Public Utility (CPU)

Plan Description. The CPU contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The CPU's contributions (employer share only) to PERS for the years ending September 30, 2022,2021, and 2020, were $624,763, $639,278, and $661,491, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the CPU reported a liability of $10,579,990 for its proportionate share of the net pension liability. At June 30, 2022, the CPU's proportion was 0.0514 percent.

For the year ended September 30, 2022, the CPU recognized pension expense of $445,123.

At September 30, 2022, the CPU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 173,596	
Net difference between projected and actual earnings on pension plan investments	429,917	
Changes of assumptions	431,584	
Changes in the proportion and differences between contributions and proportionate share of contributions	89,642	1,335,510
Contributions subsequent to the measurement date	158,116	
Total	$ 1,282,855	1,335,510

Contributions of $158,116, subsequent to the measurement date ,will be recognized as a reduction to the net pension liability in the year ended September 30, 2023.

Sensitivity to the CPU's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the CPU's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the CPU's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

Clarksdale Public Utility	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability (asset)	$ 13,807,968	10,579,990	7,918,687

Clarksdale Park Commission (Commission)

Plan Description. The Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The Commission's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021, and 2020, were $36,442, $33,543, and $31,758, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the Commission reported a liability of $622,861 for its proportionate share of the net pension liability. At June 30, 2022, the Commission's proportion was 0.003026 percent.

For the year ended September 30, 2022, the Commission recognized pension expense of $82,352.

At September 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,514	
Net difference between projected and actual earnings on pension plan investments	152,120	109,869
Changes of assumptions	19,656	
Changes in the proportion and differences between contributions and proportionate share of contributions	55,009	51,307
Contributions subsequent to the measurement date	9,340	
Total	$ 244,639	161,176

Contributions of $9,340, subsequent to the measurement date ,will be recognized as a reduction to the net pension liability in the year ended September 30, 2023.

Sensitivity to the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

Clarksdale Park Commission		1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability (asset)	$	812,897	622,861	466,186

Agent Multiple-Employer Defined Benefit Pension Plan - Mississippi Municipal Retirement Systems

General information about the Plan

Plan Description. The City also participates in the Mississippi Municipal Retirement Systems ("MMRS") City of Greenville Fire and Police Plan which has been closed to new participants since July 1, 1976. MMRS is an agent multiple employer defined benefit plan administered by PERS. MMRS was designed to provide retirement benefits for firefighters and police officers. The City is one of seventeen cities providing retirement benefits to firefighters and police officers. Plan provisions are established by Miss. Code Ann. §21-29-1 et seq. (1972, as amended) and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature. PERS issues a publicly available report entitled the Report on the Annual Valuation of the Mississippi Municipal Retirement Systems. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS, 39201 or by calling (601)359-3589 or 1-800-444-PERS.

Benefits Provided. Membership in the MMRS is comprised of employees who were hired prior to July 1, 1976, and includes only those eligible employees of the City who did not opt to become a member of PERS. MMRS provides retirement, disability, and death benefits to plan members and their beneficiaries.

A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age. Any firefighter or police officer who has attained age 65 shall be retired forthwith. The annual retirement allowance payable to a retired member is equal to (1) 50.0 percent of average compensation, plus (2) 1.7 percent of average compensation for each year of credited service over 20 years. The aggregate amount of (1) and (2) shall not exceed 66-2/3 percent of average compensation, regardless of service.

A disability retirement allowance is payable to any member who is not eligible for a service retirement benefit, but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not in the

performance of duty, the member must have completed at least five years of creditable service to be eligible for disability retirement. The annual disability retirement allowance payable is equal to 50.0

percent of the member's salary at the time of retirement if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the allowance is equal to 2.5 percent times credited service, not in excess of 20 years, times the member's salary at the time of retirement for firefighters and police officers.

A death benefit is payable upon the death of a member under the following conditions: (a) the member has retired; (b) the member is eligible to retire; (c) the death is in the line of duty; or (d) the death is not in the line of duty but occurs after the member has five years of credited service. The death benefit is payable to the surviving spouse and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. The annual benefit payable, under all conditions in the case of firefighters and police officers is equal to 2.5 percent of average compensation for each year of credited service up to 20 and 1.7 percent of average compensation for each year over 20 years with a maximum benefit of 66-2/3 percent of average compensation.

Upon a member's termination of employment for any reason before retirement, the member's accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, the member's accumulated contributions are paid to the member's beneficiary.

The allowances of certain retired members are adjusted annually by a Cost-of-Living Adjustment (COLA) on the basis of the annual percentage change in each fiscal year of the Consumer Price Index. The City of Greenville adjustments are limited to a maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

As of June 30, 2022 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	44

Contributions. Funding policies for MMRS are established by Mississippi statutes. Employer contributions are paid through an annual millage rate on the assessed property values of the City. For the year ended September 30, 2022, the City levied 5.38 mills to help fund MMRS. These millage rates are determined through review of the plan benefit structure during the MMRS annual actuarial valuation and certification by the actuary as to the funding level required of the City. The City's contributions to the Clarksdale Fire and Police Plan for the fiscal year ended September 30, 2022, was $423,001.

Net Pension Liability. The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plans was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liabilities in the June 30, 2022, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Valuation date	June 30, 2022
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 percent
Cost of living adjustments	3.00 - 4.50 percent, including inflation
Investment rate of return	6.25 percent, net of pension plan investment expense, including inflation

The underlying assumptions and all other actuarial assumptions used in the June 30, 2022, valuation was adopted by the PERS Board of Trustees. Further details can be found on the PERS website.

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current employer contribution rate (5.38 mills). Based on those assumptions, the pension plan's fiduciary net position was 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 total pension liability.

Changes in Net Pension Liability. Changes in the City's net pension liability for the year ended September 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	$ 5,092,849	1,197,454	3,895,395
Changes for the year:			
Service Cost			-
Interest	363,341		363,341
Changes of benefit terms			-
Difference between expected and actual experience	(139,933)		(139,933)
Changes of assumptions			-
Contributions - employer		431,634	(431,634)
Contributions - employee			-
Net Investment income		(94,286)	94,286
Benefit payments, including refunds of employee contributions	(560,779)	(560,779)	-
Administrative expense		(8,633)	8,633
Other changes			-
Net Changes	(337,371)	(232,064)	(105,307)
Balances at June 30, 2022	$ 4,755,478	965,390	3,790,088

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan net pension liability calculated using the discount rate of 7.55 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.55 percent) or one percentage point higher (8.55 percent) than the current rate:

City of Clarksdale-Fire and Police	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability (asset)	$ 4,112,182	3,790,088	3,504,009

Pension Plan Fiduciary Net Position. Detailed information about the pension plans fiduciary net position is available in the separately issued MMRS financial reports.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the plan recognized pension expense of $(152,279).

As of September 30, 2022, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Clarksdale-Fire and Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 36,441	
Contributions subsequent to the measurement date	36,118	
	$ 72,559	-

The above deferred outflows of resources and deferred inflows of resources represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The $36,118 amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Clarksdale-Fire and Police	Year ending September 30:	Amount
	2023	$ 5,660
	2024	3,141
	2025	(8,257)
	2026	35,897
	Total	$ 36,441

Summary of Pension Plan Balances

The City's pension related balances presented on the Statement of Net Position as of September 30, 2022, by individual plan are as follows:

		PERS	MMRS	TOTAL
Deferred outflows - Pensions	$	2,093,472	72,559	2,166,031
Net pension liability		18,210,346	3,790,088	22,000,434
Deferred inflows - Pensions		4,996	-	4,996
Pension expense	$	1,870,782	152,279	2,023,061

NOTE 11: LONG-TERM DEBT

The City's long-term debt is made up of general obligation bonds, notes payable, financed purchases, and compensated absences. General obligation bonds and notes are direct obligations. They are backed by the full faith and credit of the City. The City also incurs debt in the form of various other notes payable and capital leases which are to be repaid through daily operations.

The City is subject to a general statutory debt limitation under which no City in the State may incur general obligation indebtedness in an amount that exceeds 15 percent of the assessed value of the taxable property within the City according to the last completed assessment for taxation.

In computing general obligation indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes, and for construction of special improvements primarily chargeable to the property that benefited, or for the purpose of paying a City's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a City contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such City.

In arriving at the limitations set forth, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally owned utility, general obligation industrial bonds issued under provisions of Section 57-1-1 to 57-1-51, Mississippi Code of 1972, Annotated, Revised 1989 and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, Annotated, Revised 1990, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

The margin for further indebtedness under the above debt limits as of September 30, 2022, is approximately:

15% Limit	20% Limit
$ 2,091,349	$ 6,647,799

Debt outstanding as of September 30, 2022 consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
GO Pub Imp Bonds, Series 2019	$ 795,000	5.00-6.00%	3/1/2027
Urban Renewal Bonds, Series 2020	4,535,000	2.10-2.80%	3/1/2039
GO Refunding Bond, Series 2021	1,248,000	2.00-3.00%	6/1/2026
Urban Renewal Bonds, Series 2022	5,000,000	1.43%	3/1/2032
Total General Obligation Bonds	11,578,000		
B. Other Loans			
MDA CAP Loan	147,324	3.00%	7/21/2030
Total Other Loans	147,324		
C. Financed Purchases:			
3 Knuckleboom trucks	127,716	2.92%	12/27/2024
2011 Firetruck	120,265	4.89%	6/25/2026
2021 Firetruck	548,992	3.50%	4/29/2036
Total Financed Purchases	$ 796,973		

The annual debt service requirements of long-term debt of September 30, 2022, are as follows:

Governmental Activities:						
	General Obligation Bonds		Other Loans		Financed Purchases	
Year Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	1,111,000	325,686	18,125	4,172	123,692	27,302
2024	1,118,000	295,901	18,677	3,621	128,180	22,816
2025	1,157,000	265,458	19,245	3,052	74,118	18,867
2026	1,188,000	233,839	19,830	2,467	52,897	16,100
2027	891,000	201,147	20,433	1,864	35,639	14,631
2028-2032	3,988,000	745,411	51,014	1,901	197,799	53,551
2033-2037	865,000	208,811			184,648	16,433
2038-2039	1,260,000	77,100				
Totals	$ 11,578,000	$ 2,353,353	$ 147,324	$ 17,077	$ 796,973	$ 169,700

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

Governmental Activities:	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
General obligation bonds	$ 7,175,000	5,000,000	647,000	50,000	11,578,000	$ 1,111,000
Other Loans	237,815		17,600	(72,891)	147,324	18,125
Financed purchases	685,723		114,562	225,812	796,973	123,692
Compensated absences	340,933	97,577			438,510	
Total	$ 8,439,471	5,097,577	779,162	202,921	12,960,807	$ 1,252,817

Compensated absences will be paid from the fund from which the employees' salaries were paid.

COMPONENT UNITS

Clarksdale Public Utility

	Revenue Bonds		Notes Payable	
Year Ending September 30,	Principal	Interest	Principal	Interest
2023	-	8,313,800	275,016	42,689
2024	-	8,313,800	277,306	37,341
2025	-	8,313,800	282,956	29,402
2026	-	8,313,800	217,895	24,798
2027	-	8,313,800	166,318	21,761
2028-2032	116,684,910	33,255,200	876,612	63,788
2033-2034			294,039	3,829
Totals	$ 116,684,910	$ 74,824,200	$ 2,390,142	$ 223,608

COMPONENT UNITS

Clarksdale Public Utility	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Revenue Bonds:						
Crossroads Project						
Revenue Bonds	$ 116,684,910				116,684,910	$ -
Total Revenue Bonds	116,684,910	-	-	-	116,684,910	-
Notes Payable						
Loans						
SRF-C280-798-04	537,602		118,134		419,468	120,186
SRF-C280-798-04	2,121,786		151,112		1,970,674	154,830
Total Notes Payable	2,659,388	-	269,246	-	2,390,142	275,016
Total	$ 119,344,298	-	269,246	-	119,075,052	$ 275,016

Clarksdale Parks Commission	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Compensated absences	17,101	337			17,438	
Total	$ 17,101	337	-	-	17,438	$ -

NOTE 12: CONTINGENCIES

Federal Grants - The City has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. No provision for any liability that may result has been recognized in the City's financial statements.

Litigation - The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

NOTE 13: TAX ABATEMENTS

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures* requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City's board of commissioners negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the municipality. The City had tax abatement agreements with several entities as of September 30, 2022.

The City had abatements under the following statute, which does not provide for the abatement of school or state tax levies. 27-31-101 and 27-31-105, Miss. Code (Ann.) 1972, and freeport warehouse exemptions under statute 27-31-53. All allowable property tax levies:

	Fiscal Year 2022	
Category	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	$ 336,121

The companies were not required to comply with any special provisions in order to receive the abatements and the City made no commitments as part of the agreements other than to reduce taxes.

NOTE 14: EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficient amount of $(5,959,968) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to the pension in the amount of $325,545 results from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The $1,840,486 balance of the deferred outflow of resources related to pensions as of September 30, 2022, will be recognized in pension expense over the next 4 years. The $4,996 balance of the deferred inflow of resources related to pension as of September 30, 2022, will be recognized in pension expense over the next 3 years.

NOTE 15: SUBSEQUENT EVENTS

Events that occurred after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City of Clarksdale evaluated the activity of the City through September 8, 2026, and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

CITY OF CLARKSDALE, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

City of CLARKSDALE, Mississippi
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2022
UNAUDITED

	Budgeted Amount		Actual Non-GAAP	Variance Favorable
	Original	Final	Basis	(Unfavorable)
REVENUES:				
Ad Valorem Taxes	$ 5,775,111	$ 5,736,312	$ 5,736,312	$ -
Licenses, Permits & Franchise Fees	290,952	295,884	295,884	-
Grants & Intergovernmental	4,093,357	3,986,591	3,986,591	-
Fines and Forfeits	131,000	90,430	90,430	-
Charges for services	1,874,178	1,868,452	1,868,452	-
Interest income	18,786	34,591	34,591	-
Miscellaneous revenues	106,642	119,472	119,472	-
Total Revenues	**12,290,026**	**12,131,732**	**12,131,732**	**-**
EXPENDITURES:				
General Government	2,323,030	2,007,331	2,007,331	-
Public Safety				
Police Department	3,408,087	2,976,832	2,976,832	-
Fire Department	3,160,665	2,731,250	2,731,250	-
Highways and Streets	1,803,419	1,786,367	1,786,367	-
Health and Sanitation	1,909,718	2,130,978	2,130,978	-
Culture and Recreation	390,333	431,686	431,686	-
Economic Development	114,772	110,880	110,880	-
Internal Service	233,494	227,696	227,696	-
Debt Service				
Principal and interest paid	85,567	132,043	132,043	-
Total Expenditures	**13,429,085**	**12,535,063**	**12,535,063**	**-**
Excess of Revenues over (under) Expenditures	(1,139,059)	(403,331)	(403,331)	-
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	30,000	-	-	-
Operating transfers in	1,512,469	1,392,706	1,392,706	-
Operating transfers (out)	(138,197)	(1,224,172)	(1,224,172)	
Total other financing sources (uses)	1,404,272	168,534	168,534	-
Net Change in Fund Balance	265,213	(234,797)	(234,797)	-
Fund Balances - Beginning	1,434,086	4,617,353	4,617,353	-
Fund Balances - Ending	$ 1,699,299	$ 4,382,556	$ 4,382,556	$ -

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Basis)
ARPA Fund
For the Year Ended September 30, 2022
UNAUDITED

	Budgeted Amount		Actual Non-GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Grants & Intergovernmental	$ -	$ 1,830,809	$ 1,830,809	$ -
Interest income	-	10,561	10,561	-
Total Revenues	**-**	**1,841,370**	**1,841,370**	**-**
EXPENDITURES:				
General Government	-	141,970	141,970	-
Public Safety	-	-	-	-
Highways and Streets	-	119,995	119,995	-
Health and Sanitation	-	-	-	-
Culture and Recreation	-	33,331	33,331	-
Economic Development	-	-	-	-
Total Expenditures	-	295,296	295,296	**-**
Excess of Revenues over (under) Expenditures	-	1,546,074	1,546,074	-
OTHER FINANCING SOURCES (USES)				
transfers in	-	-	-	-
transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	-	1,546,074	1,546,074	-
Fund Balances - Beginning	-	517	517	-
Fund Balances - Ending	$ -	$ 1,546,591	$ 1,546,591	$ -

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Basis)
Capital Improvement Fund
For the Year Ended September 30, 2022
UNAUDITED

	Budgeted Amount		Actual Non-GAAP	Variance Favorable
	Original	Final	Basis	(Unfavorable)
REVENUES:				
Interest income	$ 9,043	$ 9,072	$ 9,072	$ -
Total Revenues	**9,043**	**9,072**	**9,072**	**-**
EXPENDITURES:				
	-	-	-	-
Total Expenditures	-	-	-	**-**
Excess of Revenues over (under) Expenditures	9,043	9,072	9,072	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
transfers in	-	1,085,000	1,085,000	-
transfers (out)	(337,600)	(181,417)	(181,417)	-
Total other financing sources (uses)	(337,600)	903,583	903,583	-
Net Change in Fund Balance	(328,557)	912,655	912,655	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	$ (328,557)	$ 912,655	$ 912,655	$ -

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Schedule of the City's and Component Unit's Proportionate Share of the Net Pension Liability (PERS)
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

City of Clarksdale-PERS	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.088470%	0.082765%	0.082621%	0.080915%	0.087488%	0.086868%	0.060893%	0.080817%
Proportionate share of the net pension liability (asset)	$ 18,210,345	12,233,029	15,994,466	14,234,545	14,551,854	14,440,410	14,909,203	12,492,715
Covered payroll	$ 6,090,550	5,503,047	5,483,596	5,361,405	5,670,154	5,569,996	5,286,277	5,029,937
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.99%	222.30%	291.68%	265.50%	256.64%	259.25%	282.04%	248.37%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Schedule of the City's and Component Unit's Proportionate Share of the Net Pension Liability (PERS)
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

COMPONENT UNITS

Clarksdale Public Utility

Proportion of the net pension liability (asset)	0.051400%	0.056420%	0.057660%	0.068510%	0.064480%	0.058870%	0.060890%	0.060500%
Proportionate share of the net pension liability (asset)	$ 10,579,990	8,339,566	11,161,919	12,052,613	10,725,439	9,785,693	10,877,010	9,352,107
Covered payroll	$ 25,916,862	25,077,903	23,184,822	23,368,527	23,702,108	24,728,971	22,096,000	19,715,079
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.82%	33.25%	48.14%	51.58%	45.25%	39.57%	49.23%	47.44%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

Clarksdale Park Commission

Proportion of the net pension liability (asset)	0.003026%	0.002761%	0.002847%	0.002910%	0.002849%	0.002500%	0.002500%	0.002400%
Proportionate share of the net pension liability (asset)	$ 622,861	408,084	551,143	511,924	473,874	415,584	446,563	370,993
Covered payroll	$ 208,303	183,594	189,551	189,522	181,913	158,483	165,073	149,964
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	299.02%	222.28%	290.76%	270.11%	260.49%	262.23%	270.52%	247.39%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the City and Component Units have only presented information for the years in which information is available.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Schedule of the City's and Component Unit's Contributions – PERS
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

CITY OF CLARKSDALE

Public Employees Retirement Systems (PERS)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,084,561	970,383	936,814	858,661	879,946	877,274	840,077	795,215
Contributions in relation to the contractually required contribution	1,084,561	970,383	936,814	858,661	879,946	877,274	840,077	795,215
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-
Covered payroll	$ 6,233,110	5,576,912	5,383,989	5,300,377	5,586,958	5,569,934	5,333,822	5,048,984
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.20%	15.75%	15.75%	15.75%	15.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10

Mississippi Municipal Retirement Systems (MMRS)	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 445,814	422,825	419,051	368,321	387,498	397,460	417,082	435,882
Contributions in relation to the actuarially determined contribution	423,001	422,825	419,051	368,321	387,498	397,460	468,403	435,882
Contribution deficiency (excess)	$ 22,813	-	-	-	-	-	(51,321)	-
Covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, The City presents information for those years for which information is available.

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

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Schedule of the City's and Component Unit's Contributions – PERS
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

COMPONENT UNITS

Clarksdale Public Utility

Public Employees Retirement Systems (PERS)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 624,763	639,278	661,491	696,770	672,318	593,273	594,911	612,535
Contributions in relation to the contractually required contribution	624,763	639,278	661,491	696,770	672,318	593,273	594,911	612,535
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-
Covered payroll	$ 3,590,593	3,674,018	3,801,674	4,306,366	4,268,686	3,766,811	3,777,213	3,889,093
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the City has only presented information for the years in which information is available.

Clarksdale Park Commission

Public Employees Retirement Systems (PERS)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 36,442	33,543	31,758	30,907	29,115	25,845	25,260	24,494
Contributions in relation to the contractually required contribution	36,442	33,543	31,758	30,907	29,115	25,845	25,260	24,494
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-
Covered payroll	$ 209,439	192,777	182,518	190,958	184,855	164,094	160,381	155,488
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the City has only presented information for the years in which information is available.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

City of CLARKSDALE, Mississippi
Schedule of Changes in the City's Net Pension Liability – MMRS
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	$ -	-	-	-	-	10,453	10,399	9,712
Interest	363,341	397,200	409,162	409,640	427,756	436,408	456,437	469,276
Differences between expected and actual experience	(139,933)	(61,824)	55,475	229,734	(41,381)	24,874	(117,196)	(24,365)
Changes of assumptions	-	(62,901)	-	(16,487)	-	21,066	-	192,139
Benefit payments, including refunds of employee contributions	(560,779)	(609,575)	(628,383)	(629,746)	(610,513)	(598,361)	(617,786)	(628,626)
Net Change in total pension liability	(337,371)	(337,100)	(163,746)	(6,859)	(224,138)	(105,560)	(268,146)	18,136
Total pension liability - beginning	5,092,849	5,429,949	5,593,695	5,600,554	5,824,692	5,930,252	6,198,398	6,180,262
Total pension liability - ending (a)	$ 4,755,478	5,092,849	5,429,949	5,593,695	5,600,554	5,824,692	5,930,252	6,198,398
Plan fiduciary net position								
Contributions - employer	$ 431,634	422,825	419,051	368,321	387,498	397,460	468,403	435,882
Net investment income	-	-	-	-	4,722	5,482	5,054	4,985
Benefit payments, including refunds of employee contributions	(94,286)	298,041	33,687	89,944	113,961	203,237	5,552	54,735
	(560,779)	(609,575)	(628,383)	(629,746)	(610,513)	(598,361)	(617,786)	(628,626)
Administrative expense	(8,633)	(8,457)	(8,381)	(7,366)	(7,750)	(7,949)	(9,368)	(8,718)
Other	-	-	-	(66)	(144)	(3,912)	11,044	222,769
Net change in plan fiduciary net position	(232,064)	102,834	(184,026)	(178,913)	(112,226)	(4,043)	(137,101)	81,027
Plan net position - beginning	1,197,454	1,094,620	1,278,646	1,457,559	1,569,785	1,573,828	1,710,929	1,629,902
Plan net position - ending (b)	$ 965,390	1,197,454	1,094,620	1,278,646	1,457,559	1,569,785	1,573,828	1,710,929
Net pension liability (asset) - ending (a) - (b)	$ 3,790,088	3,895,395	4,335,329	4,315,049	4,142,995	4,254,907	4,356,424	4,487,469
Plan fiduciary net position as a percentage of the total pension liability	20.30%	23.51%	20.16%	22.86%	26.03%	26.95%	26.54%	27.60%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City can only present information for which it is available.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

CITY OF CLARKSDALE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
"UNAUDITED"

A. Budgetary Information.

Statutory requirements dictate how and when the City's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the City Clerk, using historical and anticipated fiscal data, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Commissioners that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and the Police Station Capital Project Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

Governmental Fund Type	General Fund	ARPA Fund	Capital Improvement Fund
Budget (Cash Basis)	$ (234,797)	$ 1,546,074	$ 912,655
Increase (Decrease)			
Net adjustments for revenue accruals	(66,473)	(22,468)	-
Net adjustments for expense accruals	(65,381)	1,513,045	-
Net Change in Fund Balance - GAAP Basis	$ (235,889)	$ 10,561	$ 912,655

D. Excess of Actual Expenditures over Budget in Individual Funds.

No funds with actual expenditures over budgeted amounts were identified.

E. Unbudgeted Funds.

There were no unbudgeted funds.

Pension Schedules

A. Changes of assumptions.

2015

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.

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 reflect actual experience more closely.

Assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75% to 3.25%

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

2019

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.
Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.
For females, 115% of female rates at all ages.
Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

The expectation of retired life mortality was changed to 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, 100% for ages above 76.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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.

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, 110% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
The price inflation assumption was reduced from 2.75% to 2.40%.
The wage inflation assumption was reduced from 3.00% to 2.65%.
The investment rate of return assumption was changed from 7.75% to 7.55%.
The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
The percentage of active member deaths assumed to be in in the line of duty was decreased from 6% to 4%.

B. Changes in benefit provisions.

2016

Effective July 1, 2016, the interest rate on employee contributions shall be 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.

C. Method and assumptions used in calculations of actuarially determined contributions.

The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from June 30, 2021, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

CITY OF CLARKSDALE, MISSISSIPPI

SUPPLEMENTARY INFORMATION

CITY OF CLARKSDALE, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of the Treasury			
Direct Programs:			
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027*	N/A	$ 1,808,341
Total U. S. Department of the Treasury			**1,808,341**
Total Expenditures of Federal Awards			**$ 1,808,341**

*** Denotes Major Federal Award Program**

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF CLARKSDALE, MISSISSIPPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Greenville under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER INFORMATION

CITY OF CLARKSDALE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS
September 30, 2022

Name	Position	Bond Amount	Expiration Date	Surety Company
Henry W. Espy, III	Mayor	123,000	7/1/2025	Western Surety Company
Timothy Wayne Plunk	Commissioner	47,000	7/1/2025	Western Surety Company
Richard Kendrick Murphey, JR.	Commissioner	25,000	7/1/2025	RLI Insurance Company
Willie Turner, Jr.	Commissioner	25,000	7/1/2025	Travelers Casulty & Surety
Edward Lee Seals	Commissioner	47,000	7/1/2025	Western Surety Company
Cathy Ann Clark	City Clerk	90,000	7/2/2023	Western Surety Company
Laketha Covington	Deputy City Clerk	25,000	1/1/2023	Fidelity Insurance
Cindy Doss	Deputy City Clerk	25,000	1/1/2023	Fidelity Insurance
Lisa Liles	Deputy City Clerk	25,000	1/1/2023	Fidelity Insurance
Mercedes Moore	Deputy City Clerk	25,000	1/1/2023	Fidelity Insurance
Cathy Ann Clark	Municipal Court Clerk	90,000	7/2/2023	Western Surety Company
Joesphine Bruce	Deputy Municipal Court Clerk	25,000	1/1/2023	Fidelity Insurance
Lynn Logan	Deputy Municipal Court Clerk	25,000	1/1/2023	Fidelity Insurance
Robbie Linley	Police Chief	50,000	indefinite	Travelers Casualty & Surety

CITY OF CLARKSDALE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2021 TAX ROLLS
For the Year Ended September 30, 2022

Assessments - 2021 Tax Rolls	Assessed Valuation	Tax Ad Valorem
Real Property	$ 59,297,046	
Personal Property	15,129,254	
Auto and Mobile Home	12,942,718	
Public Utility	3,759,976	
Total Assessed Valuation	91,128,994	
Total Ad Valorem Tax @ 93.38 Mills	8,509,625	
Less: Special Homestead Exemption Credit	$ 270,082	
Net Ad Valorem Taxes		$ 8,239,543
Other Collections:		
Actual Homestead Reimbursements		213,998
Prior Year Tax Collections		(116,257)
Penalties and Interest on Delinquent Taxes		(45,156)
Deductions:		
Coahoma County Tax Collector's Commission		(89,212)
Total Ad Valorem Taxes to be Accounted For		**$ 8,202,916**

Collections:

Allocated to:	Fund #	Taxes	Homestead	Total
General Fund	001	5,544,448	181,418	5,725,866
Parks	016	163,436	NOTE 1	163,436
Library	016	245,141	NOTE 1	245,141
Delta Blues Museum	016	245,141	NOTE 1	245,141
Debt Service	200's	773,520	19,224	792,744
Fire & Police Pension	600	425,718	13,356	439,074
		7,397,404	213,998	7,611,402

Balance Represented by:	
Unpaid realty & unaccounted for under (over) collections	591,514
Total Ad Valorem Taxes Accounted for	**$ 8,202,916**

NOTE 1 - The taxes include the homestead portion

CITY OF CLARKSDALE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2021 TAX ROLLS (Cont'd)
For the Year Ended September 30, 2022

Tax millage levies for the current fiscal year (tax year 2021) were as follows:

Fund	Millage	Purpose
General	70.00	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	3.00	Library Current Expenditures & Maintenance
Delta Blues Museum	3.00	Delta Blues Museum Expenditure & Maintenance
Bond & Interest	10.00	General City Obligation Bonds & Interest
Fire & Police Disability	5.38	Fire & Police Disability Fund
Total Tax Levy	93.38	

Ad Valorem tax collections were found to be under the limitations of Sections 27-39-320 to 27-39-329, Miss.

$ 7,095,723	Base 2020-2021	$ 7,611,402	Taxes collected 2021-2022
692,596	Less: Applicable to Debt Service	773,520	Less: Applicable to Debt Service
6,403,127		6,837,882	
640,313	10 % Increase	213,998	Homestead Exemption
		19,224	Less: Applicable to Debt Service
		194,774	
		10,784	Under (Over) Limitation
$ 7,043,440		$ 7,043,440	

CITY OF CLARKSDALE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2022

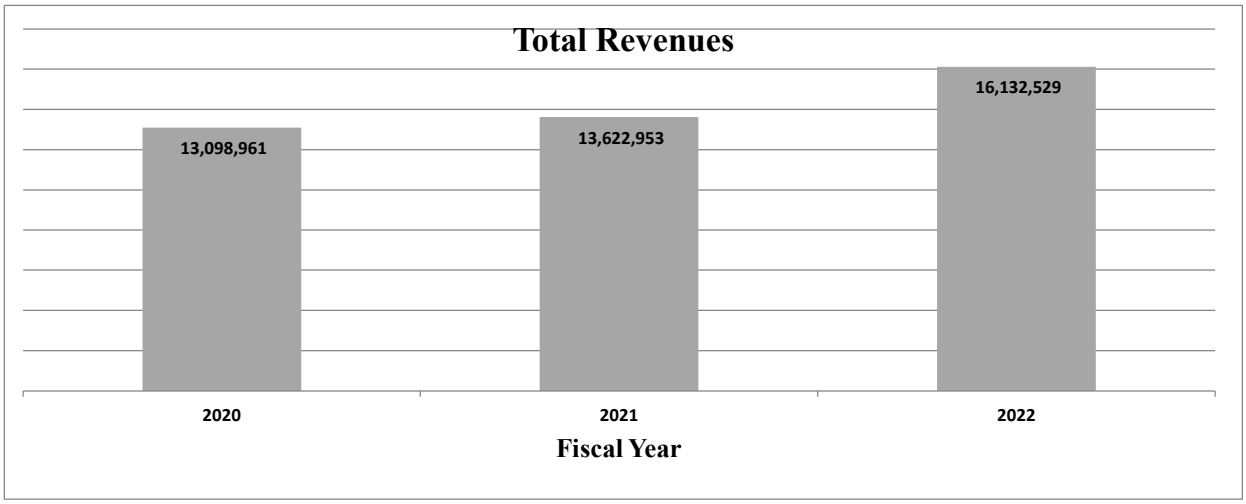
Description	Issue Date	Balance Oct. 1, 2021	Issued	Paid	Adjustments	Balance Sept. 30, 2022	Principal Amount Due 2023	Principal Amount Due Remaining Years
General Obligation Bonds								
GO Pub Imp Bonds, Series 2019	3/1/2019	$ 935,000		140,000		795,000	145,000	$ 650,000
Urban Renewal Bonds, Series 2020	8/10/2020	4,740,000		205,000		4,535,000	210,000	4,325,000
GO Refunding Bond, Series 2021	10/25/2021	1,500,000		302,000	50,000	1,248,000	298,000	950,000
Urban Renewal Bonds, Series 2022	5/13/2022		5,000,000			5,000,000	458,000	4,542,000
Total General Obligation Bonds		7,175,000	5,000,000	647,000	50,000	11,578,000	1,111,000	10,467,000
Other Loans								
MDA CAP Loan	7/21/2020	237,815		17,600	(72,891)	147,324	18,125	129,199
Total Other Loans		237,815	-	17,600	(72,891)	147,324	18,125	129,199
Financed Purchases:								
3 Knuckleboom trucks	12/27/2019	181,517		53,801		127,716	60,342	67,374
2011 Firetruck	6/25/2011	151,018		30,753		120,265	32,292	87,973
2021 Firetruck	4/29/2022			30,008	579,000	548,992	31,058	517,934
		332,535	-	114,562	579,000	796,973	123,692	673,281
Other								
Compensated Absences		340,933	97,577			438,510	-	438,510
Total Long Term Debt		$ 8,086,283	5,097,577	779,162	556,109	12,960,807	1,252,817	$ 11,707,990

CITY OF CLARKSDALE, MISSISSIPPI

STATISTICAL INFORMATION

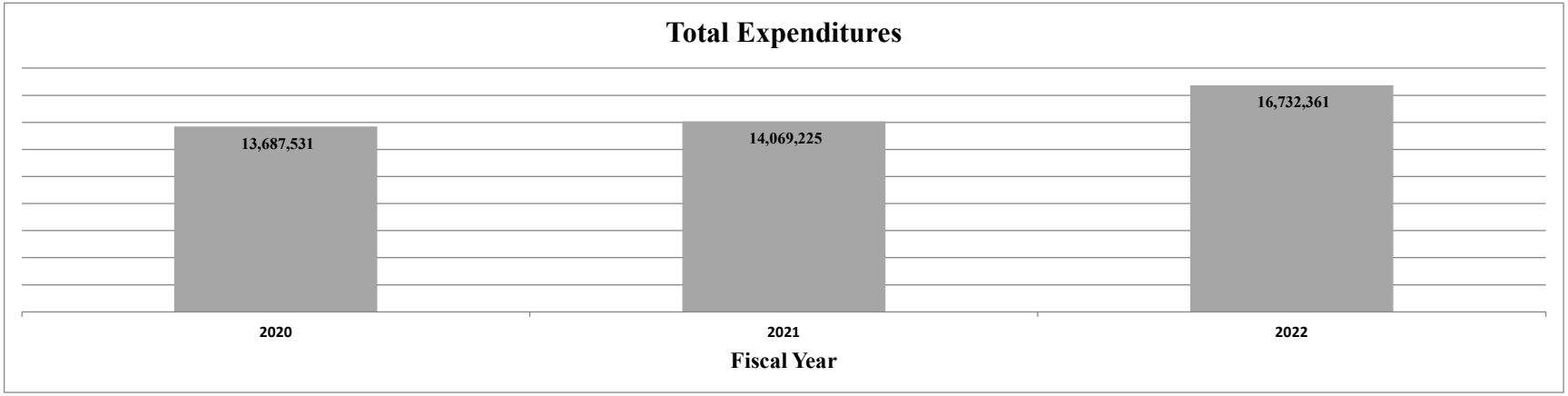
CITY OF CLARKSDALE, MISSISSIPPI
GOVERNMENTAL REVENUE BY SOURCE
For the Year Ended September 30, 2022

Fiscal Year		Taxes	Fines, Licenses Fees & Permits	Inter-governmental	Charges for Services	Franchise Tax	Miscellaneous Operating	Total Revenues
2020	$	6,442,665	476,557	3,727,673	1,686,534	-	765,532	13,098,961
2021		6,448,680	440,426	4,834,467	1,711,228	-	188,152	13,622,953
2022		6,509,734	134,956	6,190,597	1,839,476	509,357	948,409	16,132,529
Total		19,401,079	1,051,939	14,752,737	5,237,238	509,357	1,902,093	42,854,443



CITY OF CLARKSDALE, MISSISSIPPI
GOVERNMENTAL EXPENDITURES BY FUNCTION
For the Year Ended September 30, 2022

Fiscal Year	General Government	Public Safety	Highways & Streets	Health & Sanitation	Culture & Recreation	Economic Development	Capital Projects	Internal Service	Miscellaneous	Debt Service	Total Expenditures
2020	2,272,843	6,155,941	1,575,394	1,751,095			623,911	205,938	532,437	569,972	13,687,531
2021	2,263,434	5,930,614	1,658,189	1,877,502			133,864	225,442	1,154,982	825,198	14,069,225
2022	2,398,370	6,759,459	3,335,076	2,193,656	472,721	139,842	-	227,696	-	1,205,541	16,732,361
Total	6,934,647	18,846,014	6,568,659	5,822,253	472,721	139,842	757,775	659,076	1,687,419	2,600,711	44,489,117



CITY OF CLARKSDALE, MISSISSIPPI
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended September 30, 2022

			Total Outstanding G/O Debt	Bonds/Notes Subject To 15% Limitation	Bonds/Notes Subject To 20% Limitation
OUTSTANDING GENERAL OBLIGATION DEBT:					
GO Pub Imp Bonds, Series 2019			$ 795,000	$ 795,000	$ 795,000
Urban Renewal Bonds, Series 2020			4,535,000	4,535,000	4,535,000
GO Refunding Bond, Series 2021			1,248,000	1,248,000	1,248,000
Urban Renewal Bonds, Series 2022			5,000,000	5,000,000	5,000,000
Total Outstanding General Obligation Debt			11,578,000	11,578,000	11,578,000
AUTHORIZED DEBT LIMIT:					
Assessed Value for the fiscal year ended September 30, 2022	$ 91,128,994	@15%		13,669,349	
		@20%			18,225,799
Present Debt (Subject to 15% and 20% Limitation, respectively)				11,578,000	11,578,000
Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)				$ 2,091,349	$ 6,647,799

LIMITATION OF INDEBTEDNESS - SECTION 21-33-303 AS AMENDED

No municipality shall hereafter issue bonds secured by a pledge of its full faith and credit for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed either (a) fifteen percent (15%) of the assessed value of taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property that benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding obligation indebtedness, both bonded and floating, shall exceed either (a) twenty percent (20%) of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation or (b) fifteen percent (15%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipality-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

CITY OF CLARKSDALE, MISSISSIPPI

SPECIAL REPORTS

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

Honorable Mayor and Board of Commissioners
City of Clarksdale
Clarksdale, 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 aggregate discretely presented component units, each the major fund, and the aggregate remaining fund information of Clarksdale, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 8, 2026. Our report includes a qualified opinion on the aggregate discretely presented component units due to the Clarksdale Park Commission's failure to obtain an audit of its financial statements which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of Clarksdale, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated September 8, 2026, included within this document.

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 result 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. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Madison, Mississippi

September 8, 2026

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

Honorable Mayor and Board of Commissioners
City of Clarksdale
Clarksdale, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Clarksdale, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Clarksdale, Mississippi's major federal program for the year ended September 30, 2022. The City of Clarksdale, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Clarksdale, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Clarksdale, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City of Clarksdale's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design,

implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Clarksdale, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Clarksdale, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Clarksdale, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Clarksdale, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Clarksdale, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Clarksdale, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable

possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Madison, Mississippi
September 8, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Commissioners
City of Clarksdale
Clarksdale, Mississippi

We have audited the financial statements of the governmental activities and each major fund of the City of Clarksdale, Mississippi, as of and for the fiscal year ended September 30, 2022, which collectively comprise the City of Clarksdale, Mississippi's basic financial statements and have issued our report thereon dated September 8, 2026. 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.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on the City's compliance with these requirements was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general-purpose financial statements did not disclose any material instances of noncompliance with state laws and regulations.

This report is intended for the information and use of management, the Board of Aldermen, State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Madison, Mississippi
September 8, 2026

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Honorable Mayor and Board of Commissioners
City of Clarksdale
Clarksdale, Mississippi

In planning and performing our audit of the financial statements of the City of Clarksdale, Mississippi for the year ended September 30, 2022, we considered the City of Clarksdale, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to the City of Clarksdale, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance procedures. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 8, 2026, on the financial statements of the City of Clarksdale, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified five items we considered as internal control matters, that are an opportunity for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

2022-001. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding No

Criteria The City is responsible for complying with the requirements of the Public Purchasing Laws found at Title 31, Chapter 7.

Condition The City failed to comply with the Public Purchasing Laws found at Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Public Purchasing Laws found at Title 31, Chapter 7 and would include proper

bidding and obtaining of quotes where required by law as well as the proper authorization and usage of purchase requisitions, purchase orders, and receiving reports where required.

During our test work, we noted three instances where no competitive bid or second quote was obtained for an expenditure of greater than $5,000.

Cause The City has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws found at Title 31, Chapter 7.

Effect The City is not in compliance with the Public Purchasing Laws found at Title 31, Chapter 7, and this could result in the misappropriation of public funds.

Recommendation The City should establish and maintain an adequate internal control system that would ensure that the City is in compliance with the Public Purchasing Laws found at Title 31, Chapter 7.

Response The City will train all appropriate personnel on the proper purchasing law requirements and reinstitute a more efficient internal system to ensure accuracy and compliance.

2022-002. Public Officials Should Establish and Maintain Adequate Internal Controls over Expenditures from the Incidental Petty Cash Account.

Repeat Finding No

Criteria The City is responsible for establishing and maintaining an effective system of internal control over expenditures. An effective system would include the use of the established procurement function for expenditures as well as ensuring that all expenditures made are properly authorized and reviewed before being incurred or paid.

Condition During the course of our audit, we noted that the City Clerk's Office maintained an Incidental Petty Cash Checking Account to utilize as petty cash from which they paid certain expenditures.

We noted the following issues:

- The City Clerk alone had the ability to authorize expenditures and sign checks on the account without them being first approved by the Commission.
- The expenditures did not go through the typical procurement process.
- The Commission did not approve the expenditures until after they had been incurred and/or paid.
- These expenditures frequently fell outside the accepted bounds for "petty cash" usage and appear to circumvent the procurement process.

Cause The City failed to establish and maintain adequate controls over expenditures.

Effect A lack of controls over expenditures could result in the misappropriation of public funds.

Recommendation The City should ensure that expenditures are processed through the established procurement process to ensure that purchases are made properly and in keeping with State purchasing laws.

Response Per the Office of the State Auditor's Municipal Audit and Accounting Guide pages 94, 96-97: "A petty cash fund may be authorized to make travel advances. This authorization will serve as authority for the municipal clerk to transfer the money to the custodian. Requests for reimbursements may be made by the custodian. For each month when disbursements are made from the petty cash fund, a request for reimbursement must be prepared by the custodian and submitted as a claim to be considered by the governing authority. The governing authority must authorize the petty cash fund on an "annual basis." The City's established limit for the Incidental Expense Account is $4,500.00 which is approved by the Board monthly. Any purchases made follow the bid/quote purchasing law by ensuring the purchases are well under $5,000.00 and all appropriate documentation is reported and filed. I have attached the procedures from the Clerk's office for process incidentals.

2022-003. Employee File Documentation.

Repeat Finding No

Criteria The City is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.

Condition During the course of our test work on ten files, we noted the eight instances where the I-9 was incomplete.

Cause The employee files are not being reviewed regularly to identify files without proper documentation.

Effect Failure to properly complete and maintain the I-9s could open the City up to face financial or other penalties.

Recommendation The City should maintain a complete employee file system that ensures that the City is in compliance with State and Federal laws.

Response The City and appropriate personnel will be vigilant in ensuring the full completion of the I-9 forms.

2022-004. The City Clerk signed warrants without sufficient funds.

Repeat Finding No

Criteria *Section 21-39-13(3), Mississippi Code Annotated (1972)*, states that, "All such warrants or checks shall be drawn against the proper fund in the municipality from which such allowed claims shall be paid, and all such warrants or checks shall be drawn in the order of their allowance. No warrant or check shall be

signed, removed from the warrant book or checkbook or delivered by the clerk until there is sufficient money in the fund upon which it is drawn to pay the same and all prior unpaid warrants or checks drawn upon that fund, whether delivered or not."

Condition Warrants were issued on a general fund account which did not have sufficient money to pay the warrants as of September 30th.

Cause The City issued warrants on an account without sufficient a sufficient cash balance not in compliance with state law.

Effect Failure to have sufficient cash balances in city accounts prior to the signing and delivery of warrants on these funds can result in the use of the cash balances of other funds for purposes other than the intended purpose. These types of transactions could result in the Commission being held personally liable for such amounts.

Recommendation The City should implement procedures to ensure that no warrants are signed or delivered until there is sufficient money in the account and/or fund upon which it is drawn to pay the same, as required by law.

Response The City has trained the appropriate personnel in checking the account balances prior to issuing checks so the appropriate transfers can be made if needed.

2022-005. Public Officials should ensure that fixed assets are properly recorded and depreciated.

Repeat Finding No

Criteria Generally accepted accounting principles require that all fixed assets be recorded, capitalized, and depreciated.

Condition The City was not recording all assets purchased and disposed of in the City's records, which in turn caused the City to be unable to record depreciation.

Cause The City has failed to implement controls to ensure that fixed assets are properly recorded, capitalized, and depreciated in accordance with U.S. GAAP.

Effect The failure to properly record capital asset transactions is a departure from generally accepted accounting principles and could result in a misstatement of the financial statements due to inaccuracies in fixed assets and their depreciation.

Recommendation The City should implement controls to ensure that fixed assets are properly recorded and depreciated in accordance with U.S. GAAP.

Response The City will be utilizing a modernized and efficient system as opposed to the manual method to accurately record assets and depreciation.

This report is intended solely for the information and use of management, the Board of Aldermen, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Madison, Mississippi
September 8, 2026

CITY OF CLARKSDALE, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF CLARKSDALE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements.

Governmental activities	Unmodified
Aggregate discretely presented component units	Qualified
General Fund	Unmodified
Each major fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

   a. Material weakness identified? Yes

   b. Significant deficiency identified? None Reported

3. Noncompliance material to the financial statements noted? No

Federal Awards:

4. Internal control over major federal programs:

   a. Material weakness identified? No

   b. Significant deficiency identified? None Reported

5. Type of auditor's report issued on compliance for major federal programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200.516(a)? No

7. Identification of major federal program:

   Assistance Listing Number 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFR)

8. The dollar threshold used to distinguish between type A and type B programs: $750,000

9. Auditee qualified as a low-risk auditee? No

10. Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.516(b)? No

CITY OF CLARKSDALE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Section 2: Financial Statement Findings

Board of Commissioners

Material Weakness

2022-006	Component units should be included in the financial statements.
Repeat Finding	No
Criteria	Generally accepted accounting principles require the audited financial data for the City's component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units.
Condition	The financial statements include the unaudited financial data for one of the City's legally separate component units – the Parks & Recreation Commission.
Cause	The financial statements of the Parks & Recreation Commission have not been audited.
Effect	The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the discretely presented component units.
Recommendation	The City should provide audited financial data for its discretely presented component units for inclusion in the City's financial statements.
View of Responsible Official(s)	The Parks & Recreation Commission does submit an analysis of their Financial Statements from Ellis & Hirsberg, CPA, to the City. The City will discuss and plan with the Park Commission to align on administering a proper audit.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

CITY OF CLARKSDALE, MISSISSIPPI
AUDITEE'S CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2022

Commissioner Ward I
Ray T. Sykes

Commissioner Ward II
Jimmy Harris

Commissioner Ward III
Eddie Earl

Commissioner Ward IV
Linda C. Downing

Orlando W. Paden
Mayor

September 30, 2026

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
919 Highway 51
Madison, Mississippi 39110

To Whom It May Concern:

The **City of Clarksdale** respectfully submits the following corrective action plan for the year ended **September 30, 2022**.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section 1: Summary of Auditor's Results does not include findings and is not addressed.

Section 2: Financial Statement Findings

2022-006. **Corrective Action Planned:**

No corrective action is planned because of the increase in cost and time necessary to include audited financials for all component units.

Anticipated Completion Date:

N/A

Contact Person Responsible for Corrective Action:

Laketha Covington, City Clerk

Section 3: Federal Award Findings does not include findings and is not addressed.

Sincerely,

Orlando W. Paden

Orlando W. Paden, Mayor
(662) 621-8164