

CITY OF CLINTON, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared by: Christy Maggi
City Administrator

Kelly Harrelson
City Clerk/Chief Financial Officer

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INTRODUCTORY SECTION

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January 5, 2019

To the Mayor and City Council:

Attached is a copy of the annual report for the City of Clinton, Missouri, for the fiscal year ended September 30, 2018. This report was prepared for your information and use as well as the use of citizens, vendors, developers, and other businesses. The responsibility for the accuracy of the data and completeness and fairness of the presentation, including disclosures, rests with the management of the City of Clinton. We believe the data, as presented, is accurate in all material aspects, that it fairly sets forth the financial position of the City, and that all disclosures necessary to enable the reader to understand the financial affairs of the City have been included.

The Comprehensive Annual Financial Report is prepared in accordance with the Missouri Constitution Article VI Section 24 requirement that prescribes "by law all counties, cities, other legal subdivisions of the state, and public utilities owned and operated by such subdivisions shall have an annual budget, file annual reports of their financial transactions, and be audited" and is intended to meet those requirements.

In accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, this report encompasses all funds and entities of the primary government (the City of Clinton) for which the City Council is financially accountable to its constituents. Based upon this criteria, the various funds are shown in the table of contents included with this report.

PROFILE OF THE CITY

The City of Clinton is a third-class city organized and incorporated under the laws of the State of Missouri in 1836. The City has an elected Mayor and City Council and operates under the City Administrator plan. The City Administrator is appointed by the Mayor and City Council. The City Attorney is also appointed by the Mayor and City Council, after changes to the City Code.

The City provides a full range of municipal services authorized by statute. These include law enforcement, fire protection, wastewater collection and disposal, solid waste disposal, animal control, code enforcement, street repair and maintenance, community development, and economic development. In addition, the City provides an airport, a cemetery, community development services, parks and recreation facilities and programs, general administrative services, and an area transportation service that provides transportation to persons of all ages within the city limits.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls to ensure the protection of City assets, and to ensure that adequate accounting data are compiled for the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, recognizing that: (1) the cost of control should not exceed the benefits derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The accounts of the City are organized in funds, which are considered separate accounting entities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues, and expenses. The funds are grouped by type in the basic financial statements.

Accounting records for the City's governmental operations are maintained on the modified accrual basis, with revenues being recorded when measurable and available and expenditures being recorded when liability is incurred. The City's accounting records for proprietary funds are maintained on the accrual basis.

Controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the various funds are included in the annual budget. Purchase orders that will result in overruns of line item balances can be issued with the approval of the City Administrator provided there are no overruns in the fund appropriation. An overrun in any fund must be approved by the City Council and a supplemental budget adopted.

As required by accounting principles generally accepted in the United States of America, the Management's Discussion and Analysis (MD&A) can be found on pages 10 through 18. The MD&A is designed to complement the transmittal letter and should be read in conjunction with it.

ENTERPRISE FUND

The City operates the Sewer Department as an enterprise fund. This fund is used to account for operations that are financed and operated in a manner similar to private business enterprise where the stated intent is to finance the cost, including depreciation, of providing sewer service on a continuing basis through user charges.

LOCAL ECONOMY

Local economic activity remained fairly stable during the year. Taxable sales are shown on page 83 of the Statistical Section which presents categorical 10-year history for the calendar years from information provided by the Missouri Department of Revenue.

LONG-TERM FINANCIAL PLANNING

The City's comprehensive plan identifies capital needs, the first step towards creating a long-range capital improvements program. It will be necessary to secure long-term funding sources in order to implement the capital improvement program.

MAJOR PROJECTS AND ACTIVITIES

In May 2018, the City secured financing via a 10-year lease purchase program to assist in the payment of the aerial fire truck purchased in the prior year. The lease will be paid using revenue from the 1/4% Fire Protection Tax which the City started to collect within the fiscal year.

Construction on street projects financed in the prior year began within fiscal year 2018, with completion anticipated by the end of fiscal year 2019. Semi-annual payments on the lease will be made using revenue from the 1/4% Transportation Tax. Final payment for the lease will be made on December 1, 2037.

CAPITAL IMPROVEMENTS

The following schedule lists the major capital improvement expenditures for the year ending September 30, 2018:

Police vehicles and equipment	107,919
Park building improvements and equipment	34,803
Fire department vehicles and equipment	615,355
Cemetery equipment	10,948
Street improvements and land	1,245,987
Street equipment	28,384
Sewer improvements and equipment	129,659
Total	<u>2,173,055</u>

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clinton, Missouri, for its comprehensive annual financial report for the fiscal year ended September 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

INDEPENDENT AUDIT

Each year an independent audit is made of the City's financial records. The auditor selected by the City Council to conduct the annual audit was Dana F. Cole & Company, LLP. The preparation of this comprehensive report was accomplished through the efforts of the administrative staff of the City and in cooperation with the City's auditor, Dana F. Cole & Company, LLP.

Respectfully submitted,

Kelly Harrelson, City Clerk/Chief Financial Officer

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PRINCIPAL OFFICIALS
SEPTEMBER 30, 2018

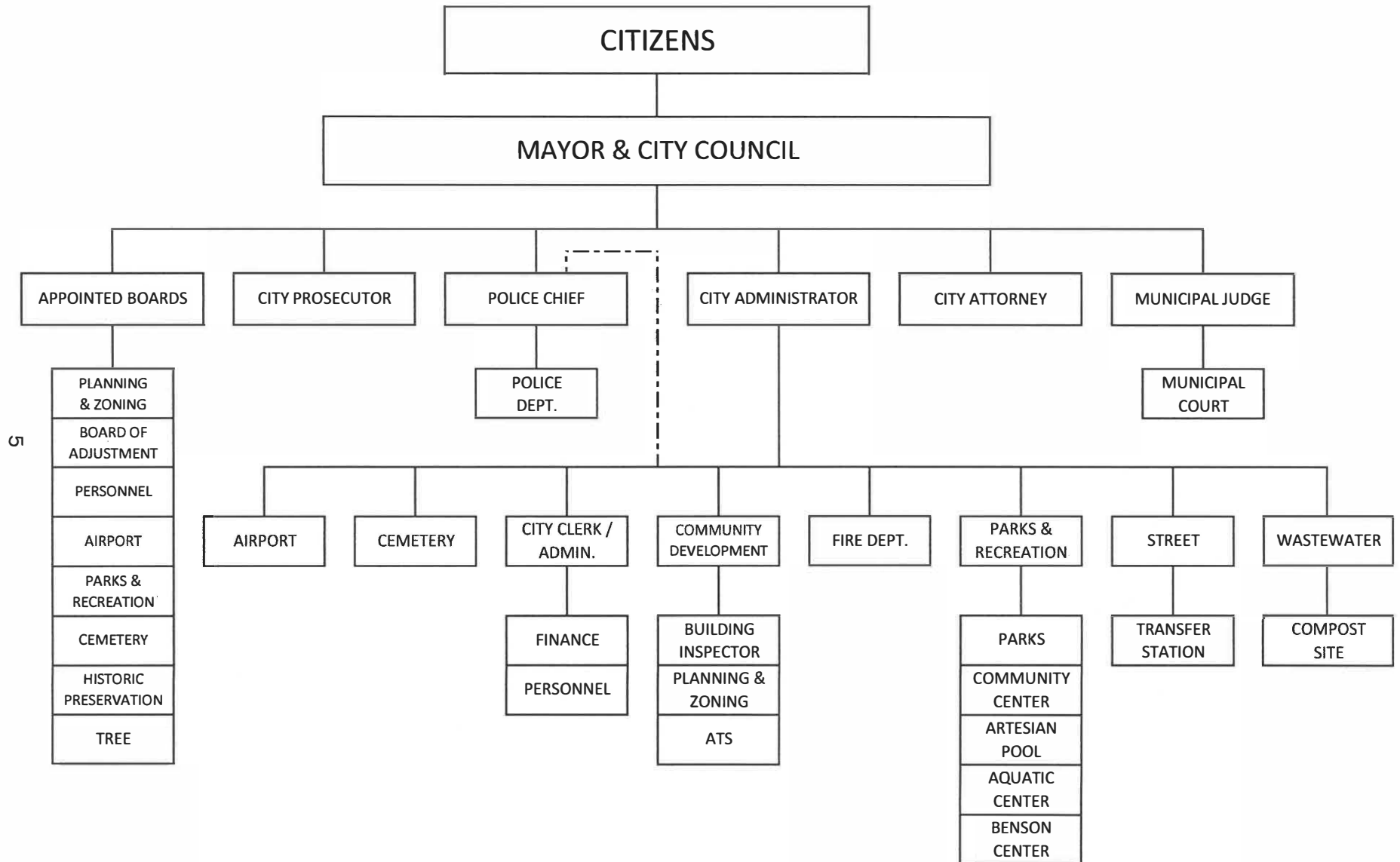
ELECTED OFFICIALS

Mayor	Greg Lowe
Ward I Council Members	Daniel Wilson Debbie Smith
Ward II Council Members	Roger House Carla Moberly
Ward III Council Members	Becky Raysik Cameron Jackson
Ward IV Council Members	Rick Pereles Gene Henry

ADMINISTRATOR AND DEPARTMENT HEADS

City Administrator	Christy Maggi
City Clerk/Chief Financial Officer	Kelly Harrelson
Chief of Police	Kevin Miller
Community Development Director	Charles Bailey
Fire Chief	Leo Huff
Parks and Recreation Director	Brad Combs
Municipal Judge	Gary V. Cover
Street Superintendent	T.J. Williams
Wastewater Superintendent	Clifford Jordan
Cemetery Sexton	John Wilson
City Attorney	Douglas Harris
City Prosecutor	Brandon Baker

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Government Finance Officers Association

**Certificate of
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Presented to

**City of Clinton
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
City of Clinton, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clinton, Missouri, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Missouri, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 - 18, the budgetary comparison information on pages 59 - 63, the schedule of employer's contributions on page 65, and the schedule of changes in net pension liability on page 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton, Missouri's basic financial statements. The introductory section on pages 1 - 6, combining and individual nonmajor fund financial statements on pages 67 - 68, budgetary comparison schedules on pages 69 - 71, statistical section on pages 72 - 93, and schedule of sales tax collections on page 94 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements on pages 67 - 68 and the budgetary comparison schedules on pages 69 - 71 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section on pages 1 - 6, statistical section on pages 72 - 93, and accompanying information (schedule of sales tax collections) on page 94, which are the responsibility of management, are presented for purposes of additional analysis and are 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2019, on our consideration of the City of Clinton, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Clinton, Missouri's internal control over financial reporting and compliance.

Dana F Cole+Company, LLP

Overland Park, Kansas
January 5, 2019

CITY OF CLINTON, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Clinton, Missouri's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the transmittal letter on pages 1 - 3 and the City's financial statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

The City's total assets increased to over \$48 million which is almost \$2 million more than total assets in the prior year. The City's unrestricted cash and investments increased by \$1 million primarily due to new taxes that were effective October 1, 2017, and will be spent in subsequent years for specified purposes. The balance of the City's capital assets, net of accumulated depreciation, increased from the prior year as current year additions exceeded current year depreciation expense.

Sales taxes make up a significant portion of the City's revenue. Total sales tax revenue increased by \$1.3 million as the City received new sales taxes that were effective October 1, 2017. In the governmental-type activities, revenues exceeded expenses by \$1 million.

The business-type activities reported a reduction in net assets before general revenues of \$484 thousand and the inclusion of general revenues resulted in an overall decrease in net position of \$372 thousand.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 19 - 21 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 22. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

REPORTING THE CITY AS A WHOLE

Our analysis of the City's government-wide statements begins on page 11. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. You can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE CITY AS A WHOLE (Continued)

In the statement of net position and the statement of activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including general government, public safety, streets, and the parks department. Property taxes, sales taxes, franchise taxes, and state and federal grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sewer system is reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Our analysis of the City's major funds begins on page 15. The fund financial statements begin on page 22 and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations on the pages following the respective fund statement.

Proprietary funds - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's proprietary funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The City's combined net position increased \$632 thousand compared to a decrease of \$577 thousand last year. Our analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (Continued)

Statement of Net Position
(Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2018	2017	2018	2017	2018	2017	2018 - 2017
ASSETS							
Current and other assets	8,709	8,224	6,701	6,639	15,410	14,863	3.7
Net pension asset	420				420		
Capital assets	22,782	21,648	9,675	10,012	32,457	31,660	2.5
Total assets	<u>31,911</u>	<u>29,872</u>	<u>16,376</u>	<u>16,651</u>	<u>48,287</u>	<u>46,523</u>	<u>3.8</u>
DEFERRED OUTFLOW OF RESOURCES							
Resources to be recognized in future pension expense	<u>265</u>	<u>491</u>	<u>77</u>	<u>149</u>	<u>342</u>	<u>640</u>	<u>(46.6)</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>32,176</u>	<u>30,363</u>	<u>16,453</u>	<u>16,800</u>	<u>48,629</u>	<u>47,163</u>	<u>3.1</u>
LIABILITIES							
Long-term debt	7,497	6,823	19	17	7,516	6,840	9.9
Net pension liability		295	4	4	4	299	(98.7)
Other liabilities	<u>364</u>	<u>248</u>	<u>242</u>	<u>133</u>	<u>606</u>	<u>381</u>	<u>59.1</u>
Total liabilities	<u>7,861</u>	<u>7,366</u>	<u>265</u>	<u>154</u>	<u>8,126</u>	<u>7,520</u>	<u>8.1</u>
DEFERRED INFLOW OF RESOURCES							
Resources to be recognized in future pension expense	647	327	89	174	736	501	46.9
Unamortized premium on defeasance of long-term debt		<u>6</u>				<u>6</u>	<u>(100.0)</u>
Total deferred inflow of resources	<u>647</u>	<u>333</u>	<u>89</u>	<u>174</u>	<u>736</u>	<u>507</u>	<u>45.2</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>8,508</u>	<u>7,699</u>	<u>354</u>	<u>328</u>	<u>8,862</u>	<u>8,027</u>	<u>10.4</u>

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (Continued)

Statement of Net Position (Continued)
(Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2018	2017	2018	2017	2018	2017	2018 - 2017
NET POSITION							
Net investment in capital assets	19,180	19,678	9,676	10,013	28,856	29,691	(2.8)
Unrestricted	4,464	2,985	6,423	6,459	10,887	9,444	15.3
Total net position	<u>23,644</u>	<u>22,663</u>	<u>16,099</u>	<u>16,472</u>	<u>39,743</u>	<u>39,135</u>	<u>1.6</u>

Governmental Activities

Current and Other Assets - Total current and other assets increased \$485 thousand. Part of this increase was attributable to an increase in taxes receivable with the new taxes received that were effective October 1, 2017, and the receipt of a current year capital lease agreement were received and placed in escrow. Expenses from the escrow account will be spent in the next fiscal year.

Capital Assets - Capital assets, net of accumulated depreciation, increased \$1.1 million from the prior year mainly due to construction in progress. The City added \$2 million in capital outlay, which was offset by \$893 thousand in noncash depreciation expense.

Net Pension Asset - The net pension asset with the City's multi-employer benefit plan has an allocated balance for the governmental activities of \$341 thousand.

Other Liabilities - Other liabilities increased \$114 thousand. The main increases were seen in accounts payable for normal operating expenditures, capital asset purchases, and liabilities payable from restricted assets.

Long-Term Debt - Long-term debt increased \$673 thousand, due to the receipt of capital lease proceeds. Associated expenses will be paid in the fiscal years to come.

Net Position - Governmental net position increased \$1 million from the prior year.

Business-Type Activities

Current and Other Assets - Total current and other assets increased \$62 thousand. The majority of this increase was in unrestricted cash.

Capital Assets - Capital assets, net of accumulated depreciation, decreased \$337 thousand as capital outlay was less than depreciation expense.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (Continued)

Other Liabilities - The balance of payables at year end increased more than \$107 thousand from the prior year. These payments were for operating expenses incurred in the current year but paid in the subsequent year.

Net Position - Business-type net position decreased a total of \$373 thousand.

Statement of Activities (Thousands of dollars)							
	Governmental Activities		Business-Type Activities		Total		% Change 2018 - 2017
	2018	2017	2018	2017	2018	2017	
REVENUES							
Program revenues							
Charges for services	584	649	1,167	1,166	1,751	1,815	(3.5)
Operating grants	239	334			239	334	(28.4)
Capital grants	34	68			34	68	(50.0)
General revenues							
Property taxes	912	847			912	847	7.7
Sales taxes	4,517	3,160		2	4,517	3,162	42.9
Franchise taxes	1,071	1,078			1,071	1,078	(0.6)
Investment earnings	70	24	100	51	170	75	126.7
Other	218	237	2	5	220	242	(9.1)
Total revenues	<u>7,645</u>	<u>6,397</u>	<u>1,269</u>	<u>1,224</u>	<u>8,914</u>	<u>7,621</u>	<u>17.0</u>
EXPENSES							
General Government	509	571			509	571	(10.9)
Public Safety	2,773	2,964			2,773	2,964	(6.4)
Streets	671	561			671	561	19.6
Parks and Recreation	1,482	1,244			1,482	1,244	19.1
Other	1,152	1,277			1,152	1,277	(9.8)
Interest/fiscal	53	104			53	104	(49.0)
Sewer			1,642	1,477	1,642	1,477	11.2
Total expenses	<u>6,640</u>	<u>6,721</u>	<u>1,642</u>	<u>1,477</u>	<u>8,282</u>	<u>8,198</u>	<u>1.0</u>
CHANGE IN NET POSITION	1,005	(324)	(373)	(253)	632	(577)	<u>(209.5)</u>
NET POSITION, beginning	<u>22,663</u>	<u>22,987</u>	<u>16,472</u>	<u>16,725</u>	<u>39,135</u>	<u>39,712</u>	
NET POSITION, ending	<u>23,668</u>	<u>22,663</u>	<u>16,099</u>	<u>16,472</u>	<u>39,767</u>	<u>39,135</u>	

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (Continued)

Governmental Activities

Governmental Revenues increased over the prior year with the largest increase being seen in sales tax revenues of \$1.3 million. Governmental expenses were less than what was recorded in the prior year by 1.2% or \$81 thousand.

Business-Type Activities

Charges for services were similar to the prior year. Overall, general revenues increased \$45 thousand which is mainly attributable to increase interest earnings. Total business-type expenditures increased \$165 thousand, or 11.2%. This was mainly attributable to an increase in contractual services over the prior year.

Government-Wide Financial Analysis

The City's overall financial condition remains healthy after fiscal year 2018 results, with total revenues exceeding total expenditures by \$633 thousand.

The City's statement of net position shows that the City has current and other assets totaling \$15.4 million, of which \$10.3 million is pooled cash and investments. Current liabilities, including the current portion of long-term debt, are \$1.5 million.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

Governmental Funds

Fund Name	Fund Balances	
	September 30, 2018 and 2017	
	2018	2017
General	2,831,238	2,409,223
Fire Protection (deficit)	302,689	(98,928)
Street	1,022,945	926,218
Street Improvement	3,873,752	4,546,384
Parks and Recreation	248,890	103,969
Other nonmajor	66,257	88,403
Total	<u>8,345,771</u>	<u>7,975,269</u>

The fund balance in the General Fund increased \$422 thousand, which was due to an increase in tax and interest revenues.

The Fire Protection Fund was established in the prior year and this was the first full year of tax receipts. The prior year deficit fund balance was restored in the current year due to tax collections, capital lease proceeds, and transfers from other funds.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

The fund balance in the Street Fund increased \$96 thousand, as actual expenditures were \$170 thousand less than budgeted for the fiscal year.

The Street Improvement Fund was also established within the prior year. This was the first full year of tax collections. Included in the fund balance is the prior year receipt of bond proceeds, with expenses to be paid future fiscal years.

The fund balance of the Parks and Recreation Fund increased \$144 thousand as program revenues exceeded actual expenditures.

Budgetary Comparison Schedule
General Fund

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	3,699,471	3,819,291	119,820
Intergovernmental	190,266	53,529	(136,737)
Charges for services	214,100	198,907	(15,193)
Fines and forfeitures	102,500	75,761	(26,739)
Interest	8,500	47,759	39,259
Other	5,000	29,415	24,415
Total revenues	<u>4,219,837</u>	<u>4,224,662</u>	<u>4,825</u>
EXPENSES			
General Government	429,724	435,031	(5,307)
Public Safety	1,933,412	1,844,392	89,020
Economic Development	292,527	230,574	61,953
Airport	291,941	168,780	123,161
Sanitation	157,681	137,823	19,858
Capital outlay	118,000	107,919	10,081
Debt service	174,679	174,677	2
Total expenses	<u>3,397,964</u>	<u>3,099,196</u>	<u>298,768</u>
REVENUES OVER EXPENDITURES	821,873	1,125,466	303,593
OTHER FINANCING SOURCES (USES)	<u>(844,335)</u>	<u>(709,918)</u>	<u>134,417</u>

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE BUDGETARY COMPARISON SCHEDULE

Actual revenues in the General Fund were slightly higher than budgeted revenues and actual expenses were less than budgeted expenses by a total of \$299 thousand. Overall, the actual change in budgetary fund balance was an increase of \$415 thousand as compared to the budgeted change in budgetary fund balance of \$(22) thousand. The final budget for revenues and expenses was adjusted from the original budget to reflect the estimated changes for which the City was not aware of at the time of setting the original budget.

CAPITAL ASSETS

Schedule of Property, Plant, and Equipment

	Land and CIP	Buildings and Improvements	Machinery and Equipment	Infra- structure	Sewer Lines	Total
General Government	170,211	2,826,751	247,336			3,244,298
Sanitation		88,111	187,827			275,938
Transportation Services		91,438	137,952			229,390
Public Safety*	758,259	311,106	1,372,190			2,441,555
Streets	1,358,907	117,849	922,968	2,680,807		5,080,531
Parks and Recreation	276,571	12,832,093	472,639			13,581,303
Cemetery		25,016	181,886			206,902
Industrial Park	352,360	418,937				771,297
Airport	1,510,141	273,569	209,795	6,218,743		8,212,248
Sewer	211,506	5,612,194	1,942,319		13,329,365	21,095,384
Total	<u>4,637,955</u>	<u>22,597,064</u>	<u>5,674,912</u>	<u>8,899,550</u>	<u>13,329,365</u>	<u>55,138,846</u>

*Police, Animal Control, and Fire

Please refer to Note 5 for more detailed information regarding capital asset activity during the fiscal year ended September 30, 2018.

DEBT ADMINISTRATION

Regular debt service payments during fiscal year 2018 are summarized as follows:

	Principal	Interest	Total
Governmental funds	<u>226,332</u>	<u>51,630</u>	<u>277,962</u>

Please refer to Note 10 for more detailed information regarding long-term debt activity during the fiscal year ended September 30, 2018.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUEST FOR INFORMATION

This report is intended to provide citizens an overview of the City's finances and demonstrate the City's accountability for the revenues received. Questions about the report should be directed to the City Administrator, City Hall, 105 E. Ohio, Clinton, Missouri 64735.

BASIC FINANCIAL STATEMENTS

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CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled cash and investments	3,900,281	6,447,372	10,347,653
Accounts receivable		149,221	149,221
Taxes receivable	795,936		795,936
Interest receivable		26,376	26,376
Grants receivable	39,263		39,263
Other receivables	22,054		22,054
Prepaid items	97,831	18,666	116,497
Restricted cash and investments	3,854,233	59,091	3,913,324
Net pension asset	419,943		419,943
Capital assets			
Land	2,428,708	211,506	2,640,214
Construction in progress	1,997,741		1,997,741
Other capital assets, net of depreciation	<u>18,355,554</u>	<u>9,463,430</u>	<u>27,818,984</u>
TOTAL ASSETS	<u>31,911,544</u>	<u>16,375,662</u>	<u>48,287,206</u>
DEFERRED OUTFLOW OF RESOURCES			
Resources to be recognized in future pension expense	<u>264,685</u>	<u>76,692</u>	<u>341,377</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>32,176,229</u>	<u>16,452,354</u>	<u>48,628,583</u>
LIABILITIES			
Accounts payable	149,733	172,716	322,449
Accrued liabilities	127,368	9,713	137,081
Liabilities payable from restricted assets	86,726	59,091	145,817
Long-term liabilities			
Net pension liability, due in more than one year		3,973	3,973
Due within one year	928,794	18,940	947,734
Due in more than one year	<u>6,568,229</u>		<u>6,568,229</u>
TOTAL LIABILITIES	<u>7,860,850</u>	<u>264,433</u>	<u>8,125,283</u>
DEFERRED INFLOWS OF RESOURCES			
Resources to be recognized in future pension expense	<u>646,800</u>	<u>89,200</u>	<u>736,000</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>8,507,650</u>	<u>353,633</u>	<u>8,861,283</u>

CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	19,179,803	9,674,936	28,854,739
Restricted	25,000		25,000
Unrestricted	<u>4,463,776</u>	<u>6,423,785</u>	<u>10,887,561</u>
TOTAL NET POSITION	<u>23,668,579</u>	<u>16,098,721</u>	<u>39,767,300</u>

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

CITY OF CLINTON, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs	Expenses						
Primary government							
Governmental activities							
General Government	509,151	89,106	70		(419,975)		(419,975)
Public Safety	2,773,318	75,761	8,745		(2,688,812)		(2,688,812)
Economic Development	228,182				(228,182)		(228,182)
Airport	334,478			33,774	(300,704)		(300,704)
Sanitation	141,784	110,053			(31,731)		(31,731)
Streets	670,560	950			(669,610)		(669,610)
Parks and Recreation	1,482,424	226,093	27,500		(1,228,831)		(1,228,831)
Cemetery operations	151,465	56,009			(95,456)		(95,456)
Transportation services	149,951	15,542	67,664		(66,745)		(66,745)
Industrial park	10,504	10,249			(255)		(255)
Pass-through for hospital	135,449		135,449				
Interest on long-term debt	51,630				(51,630)		(51,630)
Total governmental activities	<u>6,638,896</u>	<u>583,763</u>	<u>239,428</u>	<u>33,774</u>	<u>(5,781,931)</u>		<u>(5,781,931)</u>
Business-type activities							
Sewer	<u>1,651,997</u>	<u>1,167,009</u>				(484,988)	(484,988)
Total primary government	<u>8,290,893</u>	<u>1,750,772</u>	<u>239,428</u>	<u>33,774</u>	<u>(5,781,931)</u>	<u>(484,988)</u>	<u>(6,266,919)</u>
General revenues							
Taxes							
Property tax, levied for general purposes					911,571		911,571
Local sales tax					4,516,922	75	4,516,997
Franchise taxes					1,070,612		1,070,612
Other taxes					148,888		148,888
Unrestricted investment earnings					70,110	99,804	169,914
Gain on sale of assets					33,079		33,079
Other income					46,677	2,326	49,003
Total general revenues					<u>6,797,859</u>	<u>102,205</u>	<u>6,900,064</u>
Transfers in (out)					(10,000)	10,000	
CHANGE IN NET POSITION					1,005,928	(372,783)	633,145
NET POSITION, beginning of year					<u>22,662,651</u>	<u>16,471,504</u>	<u>39,134,155</u>
NET POSITION, end of year					<u>23,668,579</u>	<u>16,098,721</u>	<u>39,767,300</u>

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

CITY OF CLINTON, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Fire Protection Fund	Street Fund	Street Improvement Fund	Parks and Recreation Fund	Other Nonmajor Funds	Elimina- tions	Total Governmental Funds
ASSETS								
ASSETS								
Pooled cash and investments	2,396,563		948,493	373,736	120,637	60,852		3,900,281
Due from other funds	59,454						(59,454)	
Taxes receivable	409,957	64,111	126,986	64,111	130,771			795,936
Grants receivable	39,263							39,263
Other receivables	10,798				500	10,756		22,054
Prepaid items	37,038	23,677	12,504		16,784	7,828		97,831
Restricted cash and cash equivalents	<u>86,726</u>	<u>306,602</u>		<u>3,435,905</u>	<u>25,000</u>			<u>3,854,233</u>
TOTAL ASSETS	<u>3,039,799</u>	<u>394,390</u>	<u>1,087,983</u>	<u>3,873,752</u>	<u>293,692</u>	<u>79,436</u>	<u>(59,454)</u>	<u>8,709,598</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Due to other funds		59,454					(59,454)	
Accounts payable	56,595	9,248	55,450		23,224	5,216		149,733
Accrued liabilities	65,240	22,999	9,588		21,578	7,963		127,368
Liabilities payable from restricted assets	<u>86,726</u>							<u>86,726</u>
Total liabilities	<u>208,561</u>	<u>91,701</u>	<u>65,038</u>		<u>44,802</u>	<u>13,179</u>	<u>(59,454)</u>	<u>363,827</u>
FUND BALANCES								
Nonspendable	37,038	23,677	12,504		16,784	7,828		97,831
Restricted		306,602		3,435,905	25,000			3,767,507
Assigned			1,010,441	437,847	207,106	58,429		1,713,823
Unassigned	<u>2,794,200</u>	<u>(27,590)</u>						<u>2,766,610</u>
Total fund balances	<u>2,831,238</u>	<u>302,689</u>	<u>1,022,945</u>	<u>3,873,752</u>	<u>248,890</u>	<u>66,257</u>		<u>8,345,771</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>3,039,799</u>	<u>394,390</u>	<u>1,087,983</u>	<u>3,873,752</u>	<u>293,692</u>	<u>79,436</u>	<u>(59,454)</u>	<u>8,709,598</u>

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

CITY OF CLINTON, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance - total governmental funds		8,345,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	34,043,462	
Less accumulated depreciation	<u>(11,261,459)</u>	
		22,782,003
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases payable		(7,344,707)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(152,316)
The effects of GASB 68 to record the net pension asset (liability) and related deferred outflows and inflows or resources are not reflected in the fund financial statements.		
Net pension asset	419,943	
Deferred outflows of resources to be recognized in future pension expense	264,685	
Deferred inflows of resources to be recognized in future pension expense	<u>(646,800)</u>	
		<u>37,828</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>23,668,579</u></u>

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

CITY OF CLINTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Fire Protection Fund	Street Fund	Street Improvement Fund	Parks and Recreation Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	712,124				199,447		911,571
Sales	1,914,903	435,876	819,925	435,876	910,305	37	4,516,922
Franchise	1,070,612						1,070,612
Other	148,888						148,888
Charges for services	199,159		950		226,093	81,800	508,002
Fines and forfeitures	75,761						75,761
Intergovernmental	33,844	8,745	135,449			67,664	245,702
Interest	47,782	304	14,499	7,070	412	43	70,110
Donations and grants					27,500		27,500
Miscellaneous	29,413	214	4,296	89	11,265	1,400	46,677
Total revenues	<u>4,232,486</u>	<u>445,139</u>	<u>975,119</u>	<u>443,035</u>	<u>1,375,022</u>	<u>150,944</u>	<u>7,621,745</u>
EXPENDITURES							
Current							
General Government	436,388						436,388
Public Safety	1,844,392	919,591					2,763,983
Economic Development	230,574						230,574
Airport	168,780						168,780
Sanitation	137,823						137,823
Streets			582,936	89			583,025
Parks and Recreation					1,095,769		1,095,769
Cemetery operations						145,440	145,440
Transportation services						145,867	145,867
Industrial Park						221	221
Pass-through for hospital			135,449				135,449
Capital outlay	107,919	615,355	158,793	1,115,578	34,803	10,948	2,043,396

CITY OF CLINTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Fire Protection Fund	Street Fund	Street Improvement Fund	Parks and Recreation Fund	Other Nonmajor Funds	Total Governmental Funds
EXPENDITURES (Continued)							
Debt service							
Principal	123,047	103,285					226,332
Interest and fiscal fees	51,630						51,630
Total expenditures	<u>3,100,553</u>	<u>1,638,231</u>	<u>877,178</u>	<u>1,115,667</u>	<u>1,130,572</u>	<u>302,476</u>	<u>8,164,677</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,131,933</u>	<u>(1,193,092)</u>	<u>97,941</u>	<u>(672,632)</u>	<u>244,450</u>	<u>(151,532)</u>	<u>(542,932)</u>
OTHER FINANCING SOURCES (USES)							
Debt issuance		890,355					890,355
Proceeds from sale of assets	28,325	4,354	400				33,079
Transfers in	129,111	710,000			26,354	138,000	1,003,465
Transfers out	<u>(867,354)</u>	<u>(10,000)</u>	<u>(1,614)</u>		<u>(125,883)</u>	<u>(8,614)</u>	<u>(1,013,465)</u>
Total other financing sources (uses)	<u>(709,918)</u>	<u>1,594,709</u>	<u>(1,214)</u>		<u>(99,529)</u>	<u>129,386</u>	<u>913,434</u>
NET CHANGE IN FUND BALANCES	422,015	401,617	96,727	(672,632)	144,921	(22,146)	370,502
FUND BALANCE (DEFICT), beginning of year	<u>2,409,223</u>	<u>(98,928)</u>	<u>926,218</u>	<u>4,546,384</u>	<u>103,969</u>	<u>88,403</u>	<u>7,975,269</u>
FUND BALANCE, end of year	<u>2,831,238</u>	<u>302,689</u>	<u>1,022,945</u>	<u>3,873,752</u>	<u>248,890</u>	<u>66,257</u>	<u>8,345,771</u>

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

CITY OF CLINTON, MISSOURI
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, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	370,502
--	---------

Governmental funds report capital outlay as expenditures.

However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.

Capital outlay	2,048,452	
Depreciation	<u>(895,803)</u>	1,152,649

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Proceeds of long-term debt	(890,355)	
Capital lease principal payments	<u>226,332</u>	(664,023)

Governmental funds report payments required for pension costs as expenditures. However, in the statement of activities, these costs are adjusted for the actuarial balances of the net pension asset/liability and deferred outflows and inflows of resources. This is the amount by which the reported pension expense by the pension plan exceeded the amounts paid into the plan.

Plan payments made by the City	238,799	
Pension expense reported by pension plan	<u>(63,498)</u>	175,301

CITY OF CLINTON, MISSOURI
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, 2018

Governmental funds report the proceeds from the disposal of assets as revenues. However, in the statement of activities, the revenues are reported less the amount of nondepreciated cost. This is the amount by which the proceeds exceeded any cost.

(19,068)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences

(9,433)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

1,005,928

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

CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2018

ASSETS

Current Assets

Pooled cash and investments	6,447,372
Accounts receivable	149,221
Interest receivable	26,376
Prepaid items	18,666
Restricted cash and investments	59,091
Total current assets	<u>6,700,726</u>

Noncurrent Assets

Net pension asset	
Capital assets	
Land and construction in progress	211,506
Other capital assets, net of depreciation	9,463,430
Total noncurrent assets	<u>9,674,936</u>

TOTAL ASSETS	<u>16,375,662</u>
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DEFERRED OUTFLOW OF RESOURCES

Resources to be recognized in future pension expense	<u>76,692</u>
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TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>16,452,354</u>
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LIABILITIES

Current Liabilities

Accounts payable	172,716
Accrued liabilities	9,713
Liabilities payable from restricted assets	59,091
Compensated absences	18,940
Total current liabilities	<u>260,460</u>

Noncurrent Liabilities

Net pension liability	<u>3,973</u>
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TOTAL LIABILITIES	<u>264,433</u>
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CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2018

DEFERRED INFLOW OF RESOURCES	
Resources to be recognized in future pension expense	<u>89,200</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>353,633</u>
NET POSITION	
Net investment in capital assets	9,674,936
Unrestricted	<u>6,423,785</u>
TOTAL NET POSITION	<u><u>16,098,721</u></u>

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

CITY OF CLINTON, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2018

OPERATING REVENUES	
Sewer charges	1,165,009
Sewer taps	2,000
Miscellaneous	2,326
Total operating revenues	<u>1,169,335</u>
OPERATING EXPENSES	
Personnel services	326,522
Contractual services	702,723
Commodities and other	155,782
Depreciation	466,970
Total operating expenses	<u>1,651,997</u>
OPERATING LOSS	<u>(482,662)</u>
NONOPERATING REVENUE	
Interest and investment income	99,804
Sales tax	75
Total nonoperating revenue	<u>99,879</u>
LOSS BEFORE TRANSFERS	(382,783)
TRANSFERS	
Transfers in	<u>10,000</u>
CHANGE IN NET POSITION	(372,783)
NET POSITION, beginning of year	<u>16,471,504</u>
NET POSITION, end of year	<u>16,098,721</u>

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

CITY OF CLINTON, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	1,167,974
Cash received from other sources	4,326
Cash payments to suppliers	(855,497)
Cash payments to employees	<u>(340,302)</u>
Net cash used in operating activities	<u>(23,499)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from sales tax	<u>75</u>
Net cash provided by noncapital financing activities	<u>75</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(43,148)
Transfers in	<u>10,000</u>
Net cash used in capital and related financing activities	<u>(33,148)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>99,804</u>
Net cash provided by investing activities	<u>99,804</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,232
CASH AND CASH EQUIVALENTS, beginning of year	<u>6,463,231</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>6,506,463</u></u>
ALLOCATION OF CASH AND CASH EQUIVALENTS	
Unrestricted - current	6,447,372
Restricted - current	<u>59,091</u>
	<u><u>6,506,463</u></u>

CITY OF CLINTON, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2018

Reconciliation of Operating Loss to Net

Cash Used in Operating Activities

Operating loss	<u>(482,662)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	466,970
(Increase) decrease in the following assets:	
Accounts receivable	2,965
Interest receivable	(9,599)
Prepaid items	(12,048)
Increase (decrease) in the following liabilities:	
Accounts payable	18,803
Accrued expenses	1,687
Net pension liability and related deferred outflows and inflows of resources	(12,093)
Restricted liabilities	2,478
Total adjustments	<u>459,163</u>
Net cash used in operating activities	<u>(23,499)</u>

SCHEDULE OF NONCASH FINANCING AND INVESTING
ACTIVITIES

Total purchases of property and equipment	(129,659)
Purchases included in prior year accounts payable	(53,380)
Purchases included in accounts payable	<u>139,891</u>
Cash paid for purchases of property and equipment	<u>(43,148)</u>

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

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Clinton, Missouri, is a third-class city in which citizens elect the mayor at large and eight council members by wards. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Management has considered all potential component units and has determined there are no entities outside of the primary government that should be blended into or discretely presented with the City's financial statements.

Clinton Industrial Development Authority is a related organization chartered by the state of Missouri. This organization has no significant financial relationship with the City, but the Board of Directors is appointed by the City Council.

B. GOVERNMENT-WIDE AND FUND FINANCIAL ACCOUNTING

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The effect of interfund activities (i.e., the allocation of overhead within the same function) has been removed from these statements. Interfund services (e.g., the City's use of City-provided sewer service) provided and used are not eliminated from the statement of activities.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL ACCOUNTING (Continued)

Governmental Funds

The government reports the following governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific sources of revenues that are legally restricted to expenditures for specified purposes.

Street Fund

The primary function of the Street Fund is to maintain the city street network. This consists of approximately 100 miles of nonstate highway miles. Some of the primary tasks are surfacing, patching, drainage, grading, right-of-way mowing, sweeping, and snow removal.

The Street Fund is financed by a Gasoline Fuel Tax, Motor Vehicle Sales Tax, Transportation Sales Tax, Motor Vehicle Fee, and interest on investments.

Parks and Recreation Fund

The Parks and Recreation Fund is primarily responsible for the maintenance of the six community parks covering approximately 120 acres and includes seven playgrounds, a public swimming pool, and tennis courts. The fund is also responsible for the administration of various programs including soccer, day camp, t-ball, youth volleyball, karate, flag football, coed volleyball, women's volleyball, men's softball, women's softball, coed softball, aerobics, girls' softball, youth basketball, etc.

The Parks and Recreation Fund is financed by collection of program fees, activity cards, swimming pool pass sales, sale of concessions, a percentage of general property taxes collected by the City, a use tax, and special purpose sales taxes.

Cemetery Fund

The Cemetery Fund is responsible for the operation and maintenance of Englewood Cemetery. All expenses related to manpower and equipment are shown in the Cemetery Fund.

Revenues for the Cemetery Fund are derived from the sale of cemetery lots and burial fees. The fund is also subsidized by the General Fund of the City.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL ACCOUNTING (Continued)

Governmental Funds (Continued)

Special Revenue Funds (Continued)

Area Transportation Service Fund

The Area Transportation Service Fund (ATS) was established in the late 1970s to provide public transportation to persons of all ages within the city limits of Clinton. The service provides safe, convenient, and affordable transportation service, including meeting the needs of the handicapped. The ATS is subsidized by the General Fund with additional revenues from Missouri Department of Transportation grants, federal transit grants, and fees paid by riders.

Industrial Park Fund

The Industrial Park Fund is used for the purpose of recording land purchases and expenditures for the development of an industrial park. This fund supported by land leases.

Community Center Fund

The Community Center Fund accounts for remaining special purpose sales tax revenue.

Aquatic Center Fund

The Aquatic Center Fund accounts for remaining special purpose sales tax revenue.

Street Improvement Fund

The Street Improvement Fund accounts for sales tax revenue approved for street improvement projects. The revenue is used for the payment and principal interest related to certificates of participation and for other street repair and maintenance projects funded on an annual basis.

Fire Protection Fund

The Fire Protection Fund is responsible for all capital purchases as well as the operations and maintenance of the Fire Department. The Fund will receive special purpose sales tax, and periodically, will receive grants for specific purchases. In addition, the Fund will be supported with transfers from the General Fund as determined necessary.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL ACCOUNTING (Continued)

Proprietary Funds

Proprietary funds are used to account for activities that are financed and operated in a manner similar to private business enterprises - where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges - or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Amounts reported as program revenues include (1) charges to customers or applications for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The government reports the following proprietary fund:

Sewer Fund

This fund is used to account for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION
(Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt are recognized when due, or when payments are due early in the next fiscal year.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. POOLED CASH AND INVESTMENTS

Cash resources of the individual governmental fund types are combined to form a pool of cash and cash equivalents. At September 30, 2018, the City's cash was deposited in demand accounts, certificates of deposit, and money market funds held by a trustee. Interest income on pooled cash and investments is allocated based upon each fund's respective cash balance. The City's policy is to carry all investments at fair value as opposed to amortized cost. State statutes authorize the City to invest in banking institutions and obligations of municipalities within the state, repurchase agreements, and obligations of the U.S. Treasury.

Certain proceeds of federal grants are classified as restricted assets on the balance sheet because their use is limited by applicable grant agreements. Assets are also restricted for refunding customer meter deposits and for sewer capital expenditures.

E. STATEMENT OF CASH FLOWS

A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Statement No. 9 for the Proprietary Fund. For purposes of the statement of cash flows, demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

F. INTERFUND TRANSACTIONS

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources, to provide services and construct assets. Legally authorized transfers are included in the fund financial statements of both governmental and proprietary funds.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. PREPAID ITEMS

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

H. CAPITAL ASSETS

Capital assets are expensed when purchased for fund financial statement presentation in governmental funds. Capital assets purchased in the proprietary fund for fund statement presentation and in all government-wide financial statements are reported as an asset and depreciated. Capital assets, including infrastructure, are defined as assets with an initial cost of \$2,500 or more and an estimated useful life of more than one year.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to October 1, 2003.

Property, plant, and equipment are depreciated by the City using the straight-line method over the following estimated useful lives:

Building and processing facilities	20 - 40 years
Machinery and equipment	5 - 20 years
Transmission lines and mains	50 years
Streets	50 years

I. COMPENSATED ABSENCES

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The amount of accrued vacation benefits included in the government-wide financial statements, related to governmental activities, for the year ended September 30, 2018, is \$152,316. Business-type activity funds reported accrued vacation benefits for the year ended September 30, 2018, of \$18,940.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. LONG-TERM OBLIGATIONS

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt is reported as liabilities in the government-wide statements and proprietary fund type statement of net position.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

K. EQUITY CLASSIFICATION

Government-Wide 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, mortgages, notes, or other borrowings that are 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 through debt covenants, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. It is the City's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for the purposes in which both restricted and unrestricted net position are available.

Unrestricted net position does not meet the definition of restricted or "invested in capital assets, net of related debt."

Fund Financial Statements

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

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either by external groups, such as creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. Ordinances and resolutions create the most binding constraint equally. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the Council delegating this responsibility to the City Administrator through the budgetary process. Assigned categories are for the purpose as described in the fund title for which they are presented in the fund financial statements.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Unassigned

This classification includes the residual fund balance for the General Fund as it is the only fund that reports a positive, unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure/expense) until then. The City has several calculations related to its pension plan that qualify for reporting in this category.

In addition to liabilities, the statement of net financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has several calculations related to its pension plan that qualify for reporting in this category in addition to calculations related to prior refinanced debt.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant of these estimates are receivables, depreciation, payables, and accrued liabilities.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. REVENUES

Billings for sewer revenues are rendered monthly. Unbilled revenues from the last billing date to the end of the period are accrued in the period of usage and included in accounts receivable.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 2. POOLED CASH AND INVESTMENTS

As of September 30, 2018, the carrying amount of the City's pooled cash and investments (including money market accounts and certificates of deposit) was \$10,614,536.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of September 30, 2018, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized; and the City's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Authorized Investments

1. U.S. Treasury bills, notes, and bonds.
2. Notes and securities of U.S. government agencies not to exceed two years to stated maturity.
3. Repurchase agreements not to exceed 180 days to stated maturity where underlying purchased securities consist of securities of the U.S. government and its agencies.
4. Certificates of deposit or other interest-bearing accounts issued by commercial banks and savings institutions collateralized at 100%.
5. Banker's acceptances not to exceed 180 days to stated maturity. No more than 20% of the total amount of City funds invested may be invested in banker's acceptances.
6. Commercial paper rated A-1 or P-1 or the equivalent by two nationally recognized rating organizations. No more than 20% of the total amount of City funds invested may be invested in commercial paper.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. POOLED CASH AND INVESTMENTS (Continued)

Investment Policy

The objectives of the City's investment policy, in their order of priority, shall be:

1. Safety of Principal
2. Liquidity - Investment portfolio shall be structured so securities mature to meet cash needs.
3. Yield - Investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the foregoing objectives.

NOTE 3. ACCOUNTS RECEIVABLE

As a result of providing sanitation services to its citizens, the City has extended credit to them. The accounts receivable balance at September 30, 2018, is \$149,521 and is presented net of a \$300 allowance for doubtful accounts.

NOTE 4. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments at September 30, 2018, consisted of the following:

Account	General Fund	Fire Protection Fund	Parks and Recreation Fund	Street Improvement Fund	Enterprise Fund
Held for other entities	90,491				
Restricted for capital outlay		306,602	25,000	3,435,905	
Restricted for customers deposits					59,091
	<u>90,491</u>	<u>306,602</u>	<u>25,000</u>	<u>3,435,905</u>	<u>59,091</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Construction in progress	910,789	1,795,044	(708,092)	1,997,741
Land	<u>2,393,708</u>	<u>35,000</u>		<u>2,428,708</u>
Total capital assets, not being depreciated	<u>3,304,497</u>	<u>1,830,044</u>	<u>(708,092)</u>	<u>4,426,449</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<u>Governmental Activities (Continued)</u>				
Capital assets, being depreciated				
Buildings and improvements	16,965,516	19,354		16,984,870
Infrastructure	8,191,458	708,092		8,899,550
Machinery and equipment	3,708,766	193,999	(170,172)	3,732,593
Total capital assets, being depreciated	<u>28,865,740</u>	<u>921,445</u>	<u>(170,172)</u>	<u>29,617,013</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,231,915)	(520,271)		(6,752,186)
Infrastructure	(1,167,313)	(228,961)		(1,396,274)
Machinery and equipment	(3,122,589)	(146,571)	156,161	(3,112,999)
Total accumulated depreciation	<u>(10,521,817)</u>	<u>(895,803)</u>	<u>156,161</u>	<u>(11,261,459)</u>
Total capital assets being depreciated, net	<u>18,343,923</u>	<u>25,642</u>	<u>(14,011)</u>	<u>18,355,554</u>
Governmental activities capital assets, net	<u>21,648,420</u>	<u>1,855,686</u>	<u>(722,103)</u>	<u>22,782,003</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Construction in progress	82,165	103,791	(98,865)	87,091
Land	<u>124,415</u>			<u>124,415</u>
Total capital assets, not being depreciated	<u>206,580</u>	<u>103,791</u>	<u>(98,865)</u>	<u>211,506</u>
Capital assets, being depreciated				
Buildings and improvements	5,612,194			5,612,194
Infrastructure	13,230,500	98,865		13,329,365
Machinery and equipment	<u>1,916,451</u>	<u>25,868</u>		<u>1,942,319</u>
Total capital assets, being depreciated	<u>20,759,145</u>	<u>124,733</u>		<u>20,883,878</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<u>Business-Type Activities</u> (Continued)				
Less accumulated depreciation for:				
Buildings and improvements	(4,189,788)	(104,405)		(4,294,193)
Infrastructure	(5,469,189)	(264,829)		(5,734,018)
Machinery and equipment	(1,293,176)	(97,736)		(1,390,912)
Total accumulated depreciation	<u>(10,952,153)</u>	<u>(466,970)</u>		<u>(11,419,123)</u>
 Total capital assets, being depreciated, net	 <u>9,806,992</u>	 <u>(342,237)</u>		 <u>9,464,755</u>
 Business-type activities capital assets, net	 <u>10,013,572</u>	 <u>(238,446)</u>	 <u>(98,865)</u>	 <u>9,676,261</u>

The following table summarizes the depreciation by function for the year ended September 30, 2018:

	Governmental Funds	Proprietary Fund
General Government	108,986	
Public Safety	94,796	
Airport	165,698	
Streets	93,691	
Park and Recreation	401,150	
Cemetery operations	9,366	
Sanitation	5,483	
Transportation services	6,129	
Industrial Park	10,504	
Water and Sewer		466,970
	<u>895,803</u>	<u>466,970</u>

NOTE 6. PENSION PLAN

Plan Description

The City of Clinton, Missouri, contributes to the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multi-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Plan Description (Continued)

independent of the state of Missouri. LAGERS was established in 1967 and is administered in accordance with RSMo. 70.600-70.755. LAGERS serves approximately 715 local participating employers. These participating employers include 309 cities, 60 counties, and 346 other public entities during the plan year ended June 30, 2018.

Responsibility for the operation and administration of the plan is vested in the LAGERS Board of Trustees consisting of seven persons. Three trustees are elected by the employees who participate in the system, three trustees are elected by the members of the governing bodies of those political subdivisions which participate in the system, and one trustee is appointed by the governor. The regular term of office for members of the LAGERS Board of Trustees is four years. Members of the LAGERS Board of Trustees serve without compensation with respect to their duties, but are reimbursed by LAGERS for their actual and necessary expenses incurred in the performance of their duties.

For the City's year ending September 30, 2018, the net pension asset is based on an actuarial valuation performed as of February 28, 2018, and a measurement date of June 30, 2018.

Benefits Provided

LAGERS provides retirement, death, and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan. Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

At the date the actuarial valuation was performed, the City had 46 active employees, 26 inactive employees entitled to but not yet receiving benefits, and 53 inactive employees (or their beneficiaries) who are currently receiving benefits.

Contributions

Each participating unit of government is obligated by state law to make all required contributions to the plan. The required contributions are actuarially determined using the individual entry-age actuarial cost method. There are no long-term contracts for contributions to the plan. All actuarial liabilities are amortized over a period of 30 years or less.

Administrative costs of LAGERS are financed through investment earnings of the system. Employee contributions are determined at the election of the governing body of the local

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Contributions (Continued)

government. Should the governing body elect to participate in the contributory plan, all employees must contribute four percent of gross salary. The governing body may elect to participate in the non-contributory plan which would result in no employee contributions.

Actuarial Assumptions

The pension liability for the June 30, 2018, measurement date was determined using the following actuarial assumptions applied to the measurement:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period of (ii) 15 years.
Remaining Amortization Period	Multiple bases from 15 to 19 years
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% (7.15% for fire) including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.</p> <p>Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
Other information	None.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.62% (based on the weekly rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity; and the resulting single discount rate is 7.25% for the General, Police, and Fire Divisions.

This rate considers the ability of the plan to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the preceding paragraph.

LAGERS has provided tables to the City that provide background for the development of the single discount rate. These tables are described as follows:

The Projection of Contributions table shows the development of expected contributions in future years. Normal cost contributions for future hires are not included (nor are their liabilities).

The Projection of Plan Fiduciary Net Position table shows the development of expected asset levels in future years.

The Present Values of Projected Benefit Payments table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Assumed Asset Allocation

Activities undertaken by LAGERS Investment Team include setting and implementing investment strategies; appointing and dismissing investment managers; monitoring investment allocation, liquidity, and performance; and ensuring safekeeping of assets.

To achieve the goal of a 7.25% long-term rate of return, LAGERS Investment Team sets an investment strategy which is devised after analyzing the long-term view of the market and consulting with LAGERS' Board of Trustees.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Assumed Asset Allocation (Continued)

The assumed asset allocation is as follows:

Equities	49.22%
Fixed Income	24.18%
Real Assets/Return	21.39%
Strategic	5.21%

Pension Liability Sensitivity

The following table presents the net pension asset (liability) for the City's proportionate share of the net pension asset (liability) as of June 30, 2017, calculated using the discount rate of 7.25%, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1.00% Decrease (6.25%)	Current Rate (7.25%)	1.00% Increase (8.25%)
General Division	545,356	(146,117)	(717,933)
Police Division	216,138	(416,710)	(928,327)
Fire Division	583,675	146,857	(213,864)
Total	<u>1,345,169</u>	<u>(415,970)</u>	<u>(1,860,124)</u>

Deferred Outflows and Inflows of Resources

The balances of deferred outflows and inflows of resources to be recognized in future pension expense consists of the following:

Deferred Outflows of Resources

Differences between expected and actual experience	69,315
Changes in assumptions	210,697
Employer contributions subsequent to the measurement date	<u>61,365</u>
	<u>341,377</u>

Deferred Inflows of Resources

Differences between expected and actual experience	(436,560)
Net difference between projected and actual earnings on pension plan investments	<u>(299,440)</u>
	<u>(736,000)</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Deferred Outflows and Inflows of Resources (Continued)

Net deferred outflows (inflows) of resources 394,623

Net deferred outflows (inflows) of resources by year to be recognized in future pension expenses:

Year Ending September 30,	Net deferred outflows (inflows) of resources
2019	45,318
2020	(83,171)
2021	(239,957)
2022	(120,756)
2023	(3,479)
Thereafter	<u>7,422</u>
	<u>(394,623)</u>

Changes in Net Pension Liability

Total Pension Liability	
Service cost	252,826
Interest on total pension liability	813,349
Difference between expected and actual experience of the total pension liability	(6,085)
Benefit payments, including refunds of employee contributions	<u>(468,046)</u>
Net change in total pension liability	592,044
Total pension liability - beginning	<u>11,324,334</u>
Total pension liability - ending	<u>11,916,378</u>
Plan Fiduciary Net Position	
Contributions - employer	258,065
Net investment income	1,339,152
Benefit payments, including refunds of employee contributions	(468,046)
Pension plan administrative expense	(11,354)
Other	<u>189,075</u>
Net change in fiduciary net position	1,306,892
Plan fiduciary net position - beginning	<u>11,025,456</u>
Plan fiduciary net position - ending	<u>12,332,348</u>
Net Pension Asset	<u>(415,970)</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position

Additional financial and actuarial information supporting the preparation of the schedule of changes in fiduciary net position is included in the System's Comprehensive Annual Financial Report for the year ended June 30, 2017. The Comprehensive Annual Financial Report can be obtained at www.molagers.org or from Missouri Local Area Government Employee Retirement System (LAGERS), PO Box 1665, Jefferson City, MO 65102.

NOTE 7. INSURANCE

The City is a member of Missouri Rural Services Workers' Compensation Insurance Trust (MRSWCIT), a not-for-profit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MRSWCIT operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MRSWCIT provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in workers' compensation insurance coverages.

MRSWCIT manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MRSWCIT's investment pool consists of interest-bearing deposits, U.S. Treasury STRIPS, U.S. government agency obligations, and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MRSWCIT for which the City was a participant at any time during such year, and in the event that MRSWCIT determines that an assessment is required in order to provide additional funds for the obligations of MRSWCIT for such year, and further in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MRSWCIT at the time of such assessment. Management of the City is not aware of any deficit situation in MRSWCIT, which would require an accrual of a liability as of September 30, 2018.

MRSWCIT's financial statements are presented in its Comprehensive Annual Financial Report for the year ended September 30, 2018.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 8. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets at September 30, 2018, consisted of the following:

	General Fund	Enterprise Fund
Clinton Housing Authority	13,055	
Restitution	8,030	
D.A.R.E	504	
Judicial education	845	
LET fees	7,785	
DEA	5,149	
DHS	104	
100-year capsule	393	
Fire damage	12,711	
Appointed counsel	175	
Police Department donations	37,975	
Customer meter deposits		59,091
Total	<u>86,726</u>	<u>59,091</u>

NOTE 9. CONTINGENCIES

The City participates in certain federal and state-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

The City is exposed to various risks of loss from fire, explosion, or other hazards and manages risks through the purchase of commercial insurance other than the workers' compensation insurance.

NOTE 10. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended September 30, 2018, consisted of the following:

	Balance October 1, 2017	Addi- tions	Retire- ments	Balance September 30, 2018	Due in One Year
Capital lease obligations	6,680,685	890,355	226,333	7,344,707	776,478
Compensated absences	142,883	152,316	142,883	152,316	152,316
Total governmental debt	<u>6,823,568</u>	<u>1,042,671</u>	<u>369,216</u>	<u>7,497,023</u>	<u>928,794</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

At September 30, 2018, the long-term debt consisted of the following:

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

General	74,081
Fire Protection	30,757
Street	14,030
Parks	27,523
Other nonmajor	5,925
	<u>152,316</u>

Capital Lease Obligations

On April 21, 2014, the City entered into a capital lease agreement for the purchase of public safety communication equipment. The lease qualified as a capital lease for financial reporting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The cumulative amount of assets acquired under the capital lease described above amounted to \$59,250.

On April 10, 2015, the City entered into a capital lease agreement for an energy efficient capital project. The lease qualified as a capital lease for financial reporting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The cumulative amount of assets acquired under the capital lease described above amounted to \$2,292,430.

On August 25, 2017, the City entered into a capital lease agreement to fund various improvements. The lease qualified as a capital lease for financial reporting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. Remaining funds, which total \$3,435,905, are in an escrow account held by a third party. The funds will be disbursed in accordance with the escrow agreement to pay for costs of the projects including costs of issuance.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Lease Obligations (Continued)

On May 15, 2018, the City entered into a capital lease agreement with U.S. Bankcorp Government Leasing and Finance, Inc., for the purchase of a new fire truck. The lease qualified as a capital lease for financial reporting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. Remaining funds, which total \$306,602, are in an escrow account held by U.S. Bankcorp. The funds will be disbursed in accordance with the escrow agreement to pay for the costs of the truck. Under the terms of this lease, payments are due in May through year 2027.

Future minimum lease payments under capital leases together with the present value of net minimum lease payments consist of the following:

Years Ending September 30,	
2019	776,478
2020	609,255
2021	609,356
2022	613,038
2023	606,466
2024 - 2028	2,938,818
2029 - 2033	2,040,212
2034 - 2038	<u>1,477,108</u>
	9,670,731
Less amount representing interest	<u>2,326,024</u>
Present value of future minimum lease payments	<u><u>7,344,707</u></u>

Business-Type Activities

Changes in the debt for the year ended September 30, 2018, consisted of the following:

	Balance October 1, 2017	Addi- tions	Retire- ments	Balance September 30, 2018	Due in One Year
Compensated absences	<u>17,157</u>	<u>18,940</u>	<u>17,157</u>	<u>18,940</u>	<u>18,940</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

At September 30, 2018, the long-term debt consisted of the following:

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. Business-type activity funds reported accrued vacation benefits for the year ended September 30, 2018, of \$18,940.

NOTE 11. PROPERTY TAXES

The assessed valuation of the tangible property for the purpose of local taxation as of May 31, 2017, was as follows:

Real estate	103,845,742
Personal property	<u>24,588,433</u>
Total	<u><u>128,434,175</u></u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2017 was as follows:

General Fund	0.5291
Parks and Recreation Fund	<u>0.1481</u>
Total	<u><u>0.6772</u></u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

NOTE 12. COMPLIANCE WITH MISSOURI STATUTES

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of "annual general operating revenue" from fines and costs for traffic violations.

Fines and costs for traffic violations	31,756
Annual general operating revenues	5,144,124
Fines and costs for traffic violations as a percentage of annual general operating revenue	0.6%

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 13. INTERFUND TRANSACTIONS

Transfers during the year ended September 30, 2018, were as follows:

	Transfers in:					Total
	Parks and Recreation	Fire Protection	General	Enterprise	Nonmajor Governmental	
Transfers out:						
General	19,354	710,000			138,000	867,354
Fire Protection				10,000		10,000
Street			1,614			1,614
Parks and Recreation			125,883			125,883
Nonmajor Governmental	7,000		1,614			8,614
Total	<u>26,354</u>	<u>710,000</u>	<u>129,111</u>	<u>10,000</u>	<u>138,000</u>	<u>1,013,465</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 14. AIRPORT CONTRACT

On April 16, 2013, the City amended its long-term agreement with the Clinton Airport Association, Inc., whereby the City pays an operating subsidy of \$105,000 per year to the Association, and in return the Association operates the City-owned airport. Semiannual payments of \$52,500 are made each January 1 and July 1. This amendment commenced May 1, 2013, and extends through September 30, 2050. All revenues and expenditures related to airport operations are the responsibility of the Association, although the City has agreed to maintain and repair the runways, taxiways, aircraft parking area, and roadway leading from the public highway to the airport, and other maintenance as required by the FAA. At the termination of the lease, the City will acquire from the Association any airport capital improvements constructed by the Association. The operating subsidy may be modified only by written agreement between the parties by May 31 of such year, and such modifications would be effective on the following October 1.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 14. AIRPORT CONTRACT (Continued)

As of September 30, 2018, a schedule of future minimum operating subsidy payments required under the above is as follows:

Years Ending September 30,	
2019	105,000
2020	105,000
2021	105,000
2022	105,000
2023	105,000
2024 - 2028	525,000
2029 - 2033	525,000
2034 - 2038	525,000
2039 - 2043	525,000
2044 - 2048	525,000
2049 - 2050	210,000
	<u>3,360,000</u>

NOTE 15. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue during the year ended September 30, 2018, consisted of:

	General Fund	Special Revenue Funds
State Departments and Agencies		
Missouri Department of Transportation	33,774	
Missouri Department of Economic Development		67,664
Missouri Department of Conservation	70	
Clinton Rural Fire Association		8,745
Local Golden Valley Memorial Hospital		135,449
Total	<u>33,844</u>	<u>211,858</u>

NOTE 16. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan are held in trust for the exclusive benefit of plan participants and their beneficiaries and are not subject to the claims of creditors. Compensation deferred under the Plan is invested at the direction of the covered employee.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 16. DEFERRED COMPENSATION PLAN (Continued)

During 1998, the City adopted Statement No. 32 of the Governmental Accounting Standards Board, *Accounting and Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. As a result of this change, the City reported the deferred compensation plan as an expendable trust fund instead of an agency fund in its annual financial statements. However, in 1999, it was determined that the City does not act in a fiduciary capacity with respect to the Plan investments. Accordingly, effective in 1999, the Plan assets are not reported in the City's financial statements.

NOTE 17. COMMITMENTS

The City also has entered into a Cost Sharing agreement with the Missouri Highway and Transportation Commission for improvements on Gaines Drive. Total estimated costs for the project are \$3.6 million with the City being responsible for half or \$1.8 million. The plan is to fund improvements through a CDBG Grant, local funds, and debt issuance.

NOTE 18. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 5, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2018

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services				
Property	657,300	657,300	714,765	57,465
Sales	1,841,000	1,841,000	1,891,151	50,151
Franchise	1,059,000	1,059,000	1,064,882	5,882
Other	142,171	142,171	148,493	6,322
Charges for services	214,100	214,100	198,907	(15,193)
Fines and forfeitures	102,500	102,500	75,761	(26,739)
Intergovernmental	190,266	190,266	53,529	(136,737)
Interest	8,500	8,500	47,759	39,259
Miscellaneous	5,000	5,000	29,415	24,415
Total revenues	<u>4,219,837</u>	<u>4,219,837</u>	<u>4,224,662</u>	<u>4,825</u>
EXPENDITURES				
Current				
General Government	429,724	429,724	435,031	(5,307)
Public Safety	1,933,412	1,933,412	1,844,392	89,020
Economic Development	292,527	292,527	230,574	61,953
Airport	291,941	291,941	168,780	123,161
Sanitation	157,681	157,681	137,823	19,858
Capital outlay	118,000	118,000	107,919	10,081
Debt service				
Principal	123,425	123,425	123,047	378
Interest and fiscal fees	51,254	51,254	51,630	(376)
Total expenditures	<u>3,397,964</u>	<u>3,397,964</u>	<u>3,099,196</u>	<u>298,768</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>821,873</u>	<u>821,873</u>	<u>1,125,466</u>	<u>303,593</u>

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2018

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets			28,325	28,325
Transfers in	127,497	129,111	129,111	
Transfers out		(973,446)	(867,354)	106,092
Total other financing sources (uses)	<u>127,497</u>	<u>(844,335)</u>	<u>(709,918)</u>	<u>134,417</u>
NET CHANGE IN FUND BALANCE	<u>949,370</u>	<u>(22,462)</u>	415,548	<u>438,010</u>
BUDGETARY FUND BALANCE, beginning of year			<u>2,067,741</u>	
BUDGETARY FUND BALANCE, end of year			2,483,289	
Accrual adjustments			<u>347,949</u>	
FUND BALANCE, end of year			<u>2,831,238</u>	

See accompanying notes to budgetary comparison schedules.

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2018

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	Street Fund				Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Taxes								
Property								
Sales	785,871	785,871	812,351	26,480	366,400	366,400	371,765	5,365
Charges for services								
Licenses, fees, and permits	400	400	950	550				
Interest	2,700	2,700	14,499	11,799			7,070	7,070
Intergovernmental			135,449	135,449				
Miscellaneous			4,296	4,296				
Total revenues	<u>788,971</u>	<u>788,971</u>	<u>967,545</u>	<u>178,574</u>	<u>366,400</u>	<u>366,400</u>	<u>378,835</u>	<u>12,435</u>
EXPENDITURES								
Current								
Streets	641,975	641,975	571,746	70,229				
Street Improvements						89	89	
Pass-through to Hospital			135,449	(135,449)				
Capital outlay	<u>123,500</u>	<u>123,500</u>	<u>119,622</u>	<u>3,878</u>			<u>1,115,578</u>	<u>(1,115,578)</u>
Total expenditures	<u>765,475</u>	<u>765,475</u>	<u>826,817</u>	<u>(61,342)</u>		<u>89</u>	<u>1,115,667</u>	<u>(1,115,578)</u>
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	<u>23,496</u>	<u>23,496</u>	<u>140,728</u>	<u>117,232</u>	<u>366,400</u>	<u>366,311</u>	<u>(736,832)</u>	<u>(1,103,143)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of assets			400	400				
Debt proceeds					157,186	157,186	89	(157,097)
Transfers out	<u>(1,614)</u>	<u>(1,614)</u>	<u>(1,614)</u>					
Total other financing sources (uses)	<u>(1,614)</u>	<u>(1,614)</u>	<u>(1,214)</u>	<u>400</u>	<u>157,186</u>	<u>157,186</u>	<u>89</u>	<u>(157,097)</u>
NET CHANGE IN FUND BALANCE	<u>21,882</u>	<u>21,882</u>	<u>139,514</u>	<u>117,632</u>	<u>523,586</u>	<u>523,497</u>	<u>(736,743)</u>	<u>(1,260,240)</u>
BUDGETARY FUND BALANCE, beginning of year			<u>808,979</u>				<u>4,546,384</u>	
BUDGETARY FUND BALANCE, end of year			948,493				3,809,641	
Accrual adjustments			<u>74,452</u>				<u>64,111</u>	
FUND BALANCE, end of year			<u>1,022,945</u>				<u>3,873,752</u>	

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	Parks and Recreation Fund				Fire Protection Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Taxes								
Property	180,896	180,896	200,187	19,291	366,400	366,400	371,765	5,365
Sales	832,286	832,286	852,737	20,451				
Charges for services	193,200	193,200	225,593	32,393	100	100		(100)
Interest			412	412				
Intergovernmental					118,320	118,320	8,745	(109,575)
Donations	500	500	27,500	27,000	6,200	6,200		(6,200)
Miscellaneous	10,800	10,800	11,265	465	588,784	588,784	214	(588,570)
Total revenues	<u>1,217,682</u>	<u>1,217,682</u>	<u>1,317,694</u>	<u>100,012</u>	<u>1,079,804</u>	<u>1,079,804</u>	<u>380,724</u>	<u>(699,080)</u>
EXPENDITURES								
Current								
Public safety					1,659,968	1,659,968	851,263	808,705
Parks and Recreation	1,074,265	1,103,106	1,081,375	21,731				
Debt service - principal							103,285	
Capital outlay	<u>14,000</u>	<u>33,354</u>	<u>34,803</u>	<u>(1,449)</u>	<u>28,000</u>	<u>28,000</u>	<u>615,355</u>	<u>587,355</u>
Total expenditures	<u>1,088,265</u>	<u>1,136,460</u>	<u>1,116,178</u>	<u>20,282</u>	<u>1,687,968</u>	<u>1,687,968</u>	<u>1,569,903</u>	<u>118,065</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>129,417</u>	<u>81,222</u>	<u>201,516</u>	<u>120,294</u>	<u>(608,164)</u>	<u>(608,164)</u>	<u>(1,189,179)</u>	<u>(581,015)</u>
OTHER FINANCING SOURCES (USES)								
Sale of assets							4,354	4,354
Debt proceeds							890,355	890,355
Transfers in		26,354	26,354			787,092	710,000	(77,092)
Transfers out	<u>(125,883)</u>	<u>(125,883)</u>	<u>(125,883)</u>		<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	
Total other financing sources (uses)	<u>(125,883)</u>	<u>(99,529)</u>	<u>(99,529)</u>		<u>(10,000)</u>	<u>777,092</u>	<u>1,594,709</u>	<u>817,617</u>
NET CHANGE IN FUND BALANCE	<u>3,534</u>	<u>(18,307)</u>	101,987	<u>120,294</u>	<u>(618,164)</u>	<u>168,928</u>	405,530	<u>236,602</u>
BUDGETARY FUND BALANCE, beginning of year			<u>43,650</u>				<u>(98,928)</u>	
BUDGETARY FUND BALANCE, end of year			145,637				306,602	
Accrual adjustments			<u>103,253</u>				<u>(3,913)</u>	
FUND BALANCE, end of year			<u>248,890</u>				<u>302,689</u>	

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2018

		Total Major Special Revenue Funds			
		Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES					
	Taxes				
	Property	547,296	547,296	571,952	24,656
	Sales	1,984,557	1,984,557	2,036,853	52,296
	Charges for services	193,300	193,300	225,593	32,293
	Licenses, fees, and permits	400	400	950	550
	Interest	2,700	2,700	21,981	19,281
	Intergovernmental	118,320	118,320	144,194	25,874
	Donations	6,700	6,700	27,500	20,800
	Miscellaneous	599,584	599,584	15,775	(583,809)
	Total revenues	<u>3,452,857</u>	<u>3,452,857</u>	<u>3,044,798</u>	<u>(408,059)</u>
EXPENDITURES					
	Current				
	Streets	641,975	641,975	571,746	70,229
	Community Center		89	89	
	Parks and Recreation	1,074,265	1,103,106	1,081,375	21,731
	Public safety	1,659,968	1,659,968	851,263	808,705
	Pass-through to Hospital			135,449	(135,449)
	Capital outlay	165,500	184,854	1,885,358	(1,700,504)
	Debt service - principal			103,285	(103,285)
	Total expenditures	<u>3,541,708</u>	<u>3,589,992</u>	<u>4,628,565</u>	<u>(1,038,573)</u>
EXCESS OF REVENUES UNDER EXPENDITURES		<u>(88,851)</u>	<u>(137,135)</u>	<u>(1,583,767)</u>	<u>(1,446,632)</u>
OTHER FINANCING SOURCES (USES)					
	Sale of assets			4,754	4,754
	Debt proceeds	157,186	157,186	890,444	(157,097)
	Transfers in		813,446	736,354	(77,092)
	Transfers out	(137,497)	(137,497)	(137,497)	
	Total other financing sources (uses)	<u>19,689</u>	<u>833,135</u>	<u>1,494,055</u>	<u>(234,189)</u>
NET CHANGE IN FUND BALANCE		<u>(69,162)</u>	<u>696,000</u>	<u>(89,712)</u>	<u>(785,712)</u>
BUDGETARY FUND BALANCE, beginning of year				<u>5,300,085</u>	
BUDGETARY FUND BALANCE, end of year				5,210,373	
Accrual adjustments				<u>237,903</u>	
FUND BALANCE, end of year				<u>5,448,276</u>	

See accompanying notes to budgetary comparison schedules.

CITY OF CLINTON, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES

NOTE 1. BUDGETARY INFORMATION

Budgets for the City are prepared and adopted on the cash basis (budget basis) for all governmental and proprietary funds. The Council performs the following procedures in establishing the budget:

A public hearing is conducted to obtain taxpayer comments on proposed tax rates.

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.

Prior to October 1, the budget is legally enacted through the passage of an ordinance.

The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The fund level constitutes the City's legal level of budgetary control. Reported budgeted amounts are as originally adopted or amended by Council resolution.

Appropriations lapse at fiscal year end but may be reappropriated in the following fiscal year.

The actual results of operations are presented in comparison to the budgets on the combined statement of revenues, expenditures, and changes in fund balances - budget and actual - all governmental fund types and statement of revenues, expenses, and changes in net position - budget and actual - proprietary fund types. The actual results are presented in accordance with the cash basis of accounting and reconciled to the modified accrual basis used for governmental fund types and accrual basis for proprietary funds.

Budgeted amounts are as originally adopted, or as amended by the City Council.

Expenditures for capital outlay in the Street Improvement Fund are not budgeted for, as they are paid from the escrow account in which the capital lease proceeds were deposited. City Council has approved of all such expenditures.

CITY OF CLINTON, MISSOURI
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Fiscal Year Ending	Actuarially Determined Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
September 30, 2008	48,178	48,178		2,399,329	2.01%
September 30, 2009	110,583	110,583		2,581,308	4.28%
September 30, 2010	100,488	96,326	4,162	2,493,370	3.86%
September 30, 2011	218,027	123,458	94,569	2,564,688	4.81%
September 30, 2012	229,989	148,933	81,056	2,540,041	5.86%
September 30, 2013	307,669	185,569	122,100	2,701,843	6.87%
September 30, 2014	299,219	217,390	81,829	2,760,923	7.87%
September 30, 2015	307,138	242,141	64,997	2,772,235	8.73%
September 30, 2016	302,967	251,549	51,418	2,762,738	9.11%
September 30, 2017	269,813	244,795	25,018	2,715,553	9.01%
September 30, 2018	293,856	261,737	32,119	2,707,972	9.67%

CITY OF CLINTON, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
YEAR ENDED SEPTEMBER 30, 2018

	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018
Net pension liability (asset) - beginning	(413,708)	(190,670)	806,943	298,878
Service cost	252,041	250,626	253,067	252,826
Interest on total pension liability	722,054	732,826	789,757	813,349
Difference between expected and actual experience of the total pension liability	(419,308)	(142,907)	(252,265)	(6,085)
Changes in assumptions		424,588		
Contributions - employer	(237,599)	(246,860)	(254,976)	(258,065)
Net investment (income) loss	(201,224)	1,583	(1,185,494)	(1,339,152)
Pension plan administrative expense	11,743	11,104	10,956	11,354
Other	<u>95,331</u>	<u>(33,347)</u>	<u>130,890</u>	<u>(189,075)</u>
Net pension liability (asset) - ending	<u>(190,670)</u>	<u>806,943</u>	<u>298,878</u>	<u>(415,970) **</u>

* Schedule is to be provided prospectively beginning with the fiscal year ending September 30, 2015.

** For further analysis of the Changes in Net Pension Liability see the disclosure in Note 6 to the financial statements.

Fiduciary net position as a percentage of the total pension liability	101.86%	92.66%	97.36%	100.49%
Covered payroll	2,772,235	2,762,738	2,715,553	2,707,972
Net pension liability (asset) as a percentage of covered payroll	(6.88%)	29.21%	11.01%	(15.36%)

OTHER SUPPLEMENTARY INFORMATION

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CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2018

	Aquatic Center Fund	Community Center Fund	Cemetery Fund	Area Transportation Service Fund	Industrial Park Fund	Total
ASSETS						
ASSETS						
Pooled cash and investments	722	1,847	41,845	5,576	10,862	60,852
Other receivables				10,756		10,756
Prepaid items			3,439	4,389		7,828
TOTAL ASSETS	<u>722</u>	<u>1,847</u>	<u>45,284</u>	<u>20,721</u>	<u>10,862</u>	<u>79,436</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable			2,769	2,447		5,216
Accrued expenditures			4,628	3,335		7,963
Total liabilities			<u>7,397</u>	<u>5,782</u>		<u>13,179</u>
FUND BALANCES						
Nonspendable			3,439	4,389		7,828
Assigned	<u>722</u>	<u>1,847</u>	<u>34,448</u>	<u>10,550</u>	<u>10,862</u>	<u>58,429</u>
Total fund balances	<u>722</u>	<u>1,847</u>	<u>37,887</u>	<u>14,939</u>	<u>10,862</u>	<u>66,257</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>722</u>	<u>1,847</u>	<u>45,284</u>	<u>20,721</u>	<u>10,862</u>	<u>79,436</u>

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2018

	Aquatic Center Fund	Community Center Fund	Cemetery Fund	Area Transportation Service Fund	Industrial Park Fund	Total
REVENUES						
Sales taxes		37				37
Charges for services			56,009	15,542	10,249	81,800
Intergovernmental				67,664		67,664
Interest	13	30				43
Miscellaneous			1,400			1,400
Total revenues	<u>13</u>	<u>67</u>	<u>57,409</u>	<u>83,206</u>	<u>10,249</u>	<u>150,944</u>
EXPENDITURES						
Current						
Industrial park					221	221
Cemetery operations			145,440			145,440
Transportation				145,867		145,867
Capital outlay			10,948			10,948
Total expenditures	<u></u>	<u></u>	<u>156,388</u>	<u>145,867</u>	<u>221</u>	<u>302,476</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13</u>	<u>67</u>	<u>(98,979)</u>	<u>(62,661)</u>	<u>10,028</u>	<u>(151,532)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in			98,000	40,000		138,000
Transfers out			(4,307)	(807)	(3,500)	(8,614)
Total other financing sources (uses)	<u></u>	<u></u>	<u>93,693</u>	<u>39,193</u>	<u>(3,500)</u>	<u>129,386</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	13	67	(5,286)	(23,468)	6,528	(22,146)
FUND BALANCE, beginning of year	<u>709</u>	<u>1,780</u>	<u>43,173</u>	<u>38,407</u>	<u>4,334</u>	<u>88,403</u>
FUND BALANCE, end of year	<u>722</u>	<u>1,847</u>	<u>37,887</u>	<u>14,939</u>	<u>10,862</u>	<u>66,257</u>

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2018

	Cemetery Fund				Area Transportation Service Fund				Industrial Park Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES												
Sales taxes												
Charges for services	81,325	81,325	56,009	(25,316)	22,000	22,000	15,542	(6,458)	9,748	9,748	10,249	501
Intergovernmental					66,170	66,170	62,455	(3,715)				
Other			1,400	1,400								
Total revenues	<u>81,325</u>	<u>81,325</u>	<u>57,409</u>	<u>(23,916)</u>	<u>88,170</u>	<u>88,170</u>	<u>77,997</u>	<u>(10,173)</u>	<u>9,748</u>	<u>9,748</u>	<u>10,249</u>	<u>501</u>
EXPENDITURES												
Current												
Cemetery operations	148,432	148,432	139,655	8,777								
Transportation services					154,167	154,167	145,667	8,500				
Community Center											221	(221)
Industrial Park												
Capital outlay		10,948	10,948									
Total expenditures	<u>148,432</u>	<u>159,380</u>	<u>150,603</u>	<u>8,777</u>	<u>154,167</u>	<u>154,167</u>	<u>145,667</u>	<u>8,500</u>			<u>221</u>	<u>(221)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(67,107)</u>	<u>(78,055)</u>	<u>(93,194)</u>	<u>(32,693)</u>	<u>(65,997)</u>	<u>(65,997)</u>	<u>(67,670)</u>	<u>(18,673)</u>	<u>9,748</u>	<u>9,748</u>	<u>10,028</u>	<u>722</u>
OTHER FINANCING SOURCES (USES)												
Transfers in		98,000	98,000		69,000	69,000	40,000	29,000				
Transfers out	(4,307)	(4,307)	(4,307)		(807)	(807)	(807)		(3,500)	(3,500)	(3,500)	
Total other financing sources (uses)	<u>(4,307)</u>	<u>93,693</u>	<u>93,693</u>		<u>68,193</u>	<u>68,193</u>	<u>39,193</u>	<u>29,000</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(71,414)</u>	<u>15,638</u>	<u>499</u>	<u>(32,693)</u>	<u>2,196</u>	<u>2,196</u>	<u>(28,477)</u>	<u>10,327</u>	<u>6,248</u>	<u>6,248</u>	<u>6,528</u>	<u>722</u>
BUDGETARY FUND BALANCE, beginning of year			41,346				34,053				4,334	
BUDGETARY FUND BALANCE, end of year			41,845				5,576				10,862	
Accrual adjustments			(3,958)				9,363					
FUND BALANCE, end of year			<u>37,887</u>				<u>14,939</u>				<u>10,862</u>	

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2018

	Aquatic Center Fund				Community Center Fund				Total Nonmajor Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES												
Sales taxes							37	37			37	37
Charges for services									113,073	113,073	81,800	(31,273)
Intergovernmental									66,170	66,170	62,455	(3,715)
Other			13	13			30	30			1,443	1,443
Total revenues			13	13			67	67	179,243	179,243	145,735	(33,508)
EXPENDITURES												
Current												
Cemetery operations									148,432	148,432	139,655	8,777
Transportation services									154,167	154,167	145,667	8,500
Industrial Park												
Community Center											221	(221)
Industrial Park										10,948	10,948	
Capital outlay												
Total expenditures									302,599	313,547	296,491	17,056
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			13	13			67	67	(123,356)	(134,304)	(150,756)	(16,452)
OTHER FINANCING SOURCES (USES)												
Transfers in									69,000	167,000	138,000	29,000
Transfers out					(26,000)	(26,000)		(26,000)	(34,614)	(34,614)	(8,614)	(26,000)
Total other financing sources (uses)					(26,000)	(26,000)		(26,000)	34,386	132,386	129,386	3,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			13	13	(26,000)	(26,000)	67	(25,933)	(88,970)	(1,918)	(21,370)	(13,452)
BUDGETARY FUND BALANCE, beginning of year			709				1,780				82,222	
BUDGETARY FUND BALANCE, end of year			722				1,847				60,852	
Accrual adjustments											5,405	
FUND BALANCE, end of year			722				1,847				66,257	

CITY OF CLINTON, MISSOURI
 PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	1,187,800	1,187,800	1,167,974	(19,826)
Sewer taps	2,100	2,100	2,000	(100)
Miscellaneous			2,326	2,326
Total revenues	<u>1,189,900</u>	<u>1,189,900</u>	<u>1,172,300</u>	<u>(17,600)</u>
EXPENSES				
Personnel services	341,653	341,653	340,302	1,351
Contractual services	757,759	757,759	699,715	58,044
Commodities and other	181,500	182,003	155,782	26,221
Capital outlay	422,745	422,745	43,148	379,597
Total expenses	<u>1,703,657</u>	<u>1,704,160</u>	<u>1,238,947</u>	<u>465,213</u>
NONOPERATING REVENUE				
Interest and investment income	47,500	47,500	99,804	52,304
Sales tax	2,000	2,000	75	(1,925)
Total nonoperating revenue	<u>49,500</u>	<u>49,500</u>	<u>99,879</u>	<u>50,379</u>
INCOME (LOSS) BEFORE TRANSFER	(464,257)	(464,760)	33,232	497,992
Transfer from other funds	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	
NET CHANGE IN BUDGETARY FUND BALANCE	<u>(454,257)</u>	<u>(454,760)</u>	43,232	<u>497,992</u>
BUDGETARY FUND BALANCE, beginning of year			<u>6,463,231</u>	
BUDGETARY FUND BALANCE, end of year			6,506,463	
Accrual adjustments			<u>9,592,258</u>	
NET POSITION, end of year			<u>16,098,721</u>	

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STATISTICAL SECTION
(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	72 - 77
Revenue Capacity These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	78 - 83
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	84 - 87
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	88 - 90
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	91 - 93

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City fully implemented GASB Statement Nos. 63 and 65 in fiscal year 2013; schedules presenting government-wide information relating to these GASB Statements begin in those years.

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CITY OF CLINTON, MISSOURI
NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	13,165,276	12,034,561	12,518,505	15,642,101	18,630,582	18,722,320	19,155,296	19,434,211	19,677,735	19,179,803
Restricted	126,101	263,101	150,000	150,000	866					25,000
Unrestricted	2,316,538	2,952,093	3,258,196	3,433,202	2,983,814	3,133,479	3,506,150	3,552,321	2,984,916	4,463,776
Total governmental activities	<u>15,607,915</u>	<u>15,249,755</u>	<u>15,926,701</u>	<u>19,225,303</u>	<u>21,615,262</u>	<u>21,855,799</u>	<u>22,661,446</u>	<u>22,986,532</u>	<u>22,662,651</u>	<u>23,668,579</u>
Business-type activities										
Invested in capital assets, net of related debt	5,160,321	5,518,932	5,752,930	6,270,755	6,776,992	7,379,173	9,750,449	10,367,346	10,012,247	9,674,936
Restricted	1,058,114	679,184	875,725	879,545	887,712	886,332	592,432			
Unrestricted	5,830,335	6,171,181	6,259,369	6,546,554	6,904,615	7,186,285	6,030,215	6,357,457	6,459,257	6,423,785
Total business-type activities	<u>12,048,770</u>	<u>12,369,297</u>	<u>12,888,024</u>	<u>13,696,854</u>	<u>14,569,319</u>	<u>15,451,790</u>	<u>16,373,096</u>	<u>16,724,803</u>	<u>16,471,504</u>	<u>16,098,721</u>
Primary government										
Net investment in capital assets	18,325,597	17,553,493	18,271,435	21,912,856	25,407,574	26,101,493	28,905,745	29,801,557	29,689,982	28,854,739
Restricted	1,184,215	942,285	1,025,725	1,029,545	888,578	886,332	592,432			25,000
Unrestricted	8,146,873	9,123,274	9,517,565	9,979,756	9,888,429	10,319,764	9,536,365	9,909,778	9,444,173	10,887,561
Total primary government	<u>27,656,685</u>	<u>27,619,052</u>	<u>28,814,725</u>	<u>32,922,157</u>	<u>36,184,581</u>	<u>37,307,589</u>	<u>39,034,542</u>	<u>39,711,335</u>	<u>39,134,155</u>	<u>39,767,300</u>

CITY OF CLINTON, MISSOURI
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES										
Governmental activities										
General Government	473,100	533,694	502,104	476,981	445,781	451,456	505,852	497,342	570,928	509,151
Public Safety	2,485,433	2,350,055	2,452,557	2,612,788	2,663,868	2,729,582	2,840,860	2,951,432	2,963,898	2,773,318
Economic Development	295,514	329,335	270,862	265,829	287,804	349,253	318,535	311,347	291,094	228,182
Airport	177,019	217,294	184,504	57,367	90,524	283,866	264,488	262,993	263,483	334,478
Sanitation	109,107	128,246	134,430	137,171	137,841	137,537	140,724	150,053	142,643	141,784
Streets	864,677	678,487	657,386	670,130	675,528	706,687	669,271	640,728	560,806	670,560
Parks and Recreation	1,497,893	1,313,873	1,391,184	1,326,807	1,481,707	1,408,773	1,449,619	1,411,061	1,244,456	1,482,424
Community Center	152,421	18,289	1,425	1,425	118	1,251	1,250	1,195	650	
Aquatic Center	973									
Cemetery operations	150,453	169,439	164,793	140,270	161,960	145,446	147,030	141,357	164,905	151,465
Transportation Services	158,707	143,032	158,598	168,295	158,522	155,206	155,270	146,324	157,956	149,951
Industrial Park	10,505	13,188	35,505	60,516	36,005	34,505	18,803	10,587	10,505	10,504
Pass-through for hospital									245,897	135,449
Interest on long-term debt	176,551	163,311	147,277	126,032	84,514	17,685	3,108	73,177	104,001	51,630
Total governmental activities expenses	<u>6,552,353</u>	<u>6,058,243</u>	<u>6,100,625</u>	<u>6,043,611</u>	<u>6,224,172</u>	<u>6,421,247</u>	<u>6,514,810</u>	<u>6,597,596</u>	<u>6,721,222</u>	<u>6,638,896</u>
Business-type activities										
Sewer	<u>1,179,602</u>	<u>1,224,742</u>	<u>1,300,144</u>	<u>1,255,326</u>	<u>1,326,817</u>	<u>1,351,187</u>	<u>1,332,186</u>	<u>1,364,488</u>	<u>1,432,453</u>	<u>1,651,997</u>
Total primary government expenses	<u>7,731,955</u>	<u>7,282,985</u>	<u>7,400,769</u>	<u>7,298,937</u>	<u>7,550,989</u>	<u>7,772,434</u>	<u>7,846,996</u>	<u>7,962,084</u>	<u>8,153,675</u>	<u>8,290,893</u>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General Government	148,204	142,185	106,034	95,848	86,584	100,293	87,922	94,789	121,248	89,106
Public Safety	156,950	121,946	110,643	130,168	116,212	134,685	133,169	114,315	91,916	75,761
Sanitation	77,730	87,466	96,129	105,330	119,483	114,526	114,370	115,783	117,608	110,053
Streets	105	1,601	1,365	2,443	735	1,747	330	569	1,050	950
Parks and Recreation	240,005	198,206	227,143	213,138	221,117	242,926	223,731	206,839	213,680	226,093
Cemetery operations	73,795	103,880	101,180	124,475	80,460	74,100	110,635	66,825	70,229	56,009
Transportation Services	26,627	22,483	27,388	23,255	21,606	28,107	20,980	19,178	18,642	15,542
Industrial Park									14,323	10,249
Operating grants and contributions			126,745	105,714	61,332	90,059	77,082	71,766	333,922	239,428
Capital grants and contributions	<u>1,054,872</u>	<u>644,112</u>	<u>385,315</u>	<u>2,924,986</u>	<u>2,303,130</u>	<u>43,398</u>	<u>254,321</u>	<u>543,635</u>	<u>67,700</u>	<u>33,774</u>
Total governmental activities program revenues	<u>1,778,288</u>	<u>1,321,879</u>	<u>1,181,942</u>	<u>3,725,357</u>	<u>3,010,659</u>	<u>829,841</u>	<u>1,022,540</u>	<u>1,233,699</u>	<u>1,050,318</u>	<u>856,965</u>

CITY OF CLINTON, MISSOURI
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROGRAM REVENUES (Continued)										
Business-type activities										
Charges for services										
Sewer	485,392	480,011	811,992	1,070,165	1,265,908	1,253,163	1,239,243	1,187,524	1,166,003	1,167,009
Operating grants and contributions			902	19,550						
Total business-type activities										
program revenues	<u>485,392</u>	<u>480,011</u>	<u>812,894</u>	<u>1,089,715</u>	<u>1,265,908</u>	<u>1,253,163</u>	<u>1,239,243</u>	<u>1,187,524</u>	<u>1,166,003</u>	<u>1,167,009</u>
Total primary government										
program revenues	<u>2,263,680</u>	<u>1,801,890</u>	<u>1,993,934</u>	<u>4,795,522</u>	<u>4,276,567</u>	<u>2,083,004</u>	<u>2,261,783</u>	<u>2,421,223</u>	<u>2,216,321</u>	<u>2,023,974</u>
NET (EXPENSE) REVENUE										
Governmental activities	(4,736,364)	(4,918,683)	(2,318,254)	(3,213,513)	(5,591,406)	(5,492,270)	(5,492,270)	(5,363,897)	(5,670,904)	(5,781,931)
Business-type activities	(739,350)	(820,133)	(442,432)	(237,102)	(85,279)	(79,023)	(92,943)	(176,964)	(266,450)	(484,988)
Total primary government net expense	<u>(5,475,714)</u>	<u>(5,738,816)</u>	<u>(2,760,686)</u>	<u>(3,450,615)</u>	<u>(5,676,685)</u>	<u>(5,571,293)</u>	<u>(5,585,213)</u>	<u>(5,540,861)</u>	<u>(5,937,354)</u>	<u>(6,266,919)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental activities										
Taxes										
Property taxes	758,325	767,012	781,039	803,346	796,187	829,769	837,460	847,750	847,237	911,571
Franchise taxes	985,514	1,113,420	1,120,803	1,068,730	1,091,162	1,132,963	1,129,594	999,207	1,078,125	1,070,612
Sales taxes	3,343,014	3,437,312	3,441,265	3,508,951	3,523,889	3,622,103	3,674,572	3,601,120	3,159,814	4,516,922
Other taxes	146,749	144,408	135,713	145,385	148,109	140,558	140,276	153,618	146,440	148,888
Unrestricted investment earnings	28,350	10,862	7,685	5,845	5,729	5,181	7,724	14,872	23,911	70,110
Miscellaneous	46,573	175,590	46,717	84,599	38,496	101,369	77,379	72,416	46,457	79,756
Transfers									45,039	(10,000)
Special item		(1,357,407)								
Total governmental activities	<u>5,308,525</u>	<u>4,291,197</u>	<u>5,533,222</u>	<u>5,616,856</u>	<u>5,603,572</u>	<u>5,831,943</u>	<u>5,867,005</u>	<u>5,688,983</u>	<u>5,347,023</u>	<u>6,787,859</u>
Business-type activities										
Taxes										
Sales taxes	828,487	843,020	853,343	855,899	851,030	895,374	904,254	471,631	2,180	75
Unrestricted investment earnings	356,595	220,921	152,394	116,467	99,974	82,325	66,634	55,766	51,029	99,804
Miscellaneous	2,488	1,317	240	2,075	(83)	2,796	1,873	1,274	4,981	2,326
Transfers									(45,039)	10,000
Total business-type activities	<u>1,187,570</u>	<u>1,065,258</u>	<u>1,005,977</u>	<u>974,441</u>	<u>950,921</u>	<u>980,495</u>	<u>972,761</u>	<u>528,671</u>	<u>13,151</u>	<u>112,205</u>
Total primary government	<u>6,496,095</u>	<u>5,356,455</u>	<u>6,539,199</u>	<u>6,591,297</u>	<u>6,554,493</u>	<u>6,812,438</u>	<u>6,839,766</u>	<u>6,217,654</u>	<u>5,360,174</u>	<u>6,900,064</u>
CHANGE IN NET ASSETS/POSITION										
Governmental activities	572,161	(627,486)	3,214,968	2,403,343	12,166	339,673	374,735	325,086	(323,881)	1,005,928
Business-type activities	448,220	245,125	563,545	737,339	865,642	901,472	879,818	351,707	(253,299)	(372,783)
Total primary government	<u>1,020,381</u>	<u>(382,361)</u>	<u>3,778,513</u>	<u>3,140,682</u>	<u>877,808</u>	<u>1,241,145</u>	<u>1,254,553</u>	<u>676,793</u>	<u>(577,180)</u>	<u>633,145</u>

CITY OF CLINTON, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Reserved	50,199	39,532								
Unreserved	1,229,678	1,640,822								
Nonspendable			33,209	34,999	42,868	58,021	69,133	73,948	70,110	37,038
Assigned								121,055		
Unassigned			2,198,171	2,235,716	2,098,478	2,096,941	2,222,568	2,307,971	2,339,113	2,794,200
Total General Fund	<u>1,279,877</u>	<u>1,680,354</u>	<u>2,231,380</u>	<u>2,270,715</u>	<u>2,141,346</u>	<u>2,154,962</u>	<u>2,291,701</u>	<u>2,502,974</u>	<u>2,409,223</u>	<u>2,831,238</u>
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	159,220	279,474								
Unreserved, reported in:										
Special revenue funds	1,215,494	1,363,230								
Nonspendable			113,754	98,092	28,284	38,280	45,612	48,788	46,198	60,793
Restricted			150,000	150,000	866				4,546,384	3,767,507
Committed			130,085	82,721	153,148	305,721				
Assigned			900,642	1,105,047	803,889	777,059	1,063,429	1,218,379	1,072,392	1,713,823
Unassigned (deficit)			(1,932)						(98,928)	(27,590)
Total all other governmental funds	<u>1,374,714</u>	<u>1,642,704</u>	<u>1,292,549</u>	<u>1,435,860</u>	<u>986,187</u>	<u>1,121,060</u>	<u>1,109,041</u>	<u>1,267,167</u>	<u>5,566,046</u>	<u>5,514,533</u>

Beginning in fiscal year 2011, governmental fund balances were classified in accordance with GASB Statement No. 54.

CITY OF CLINTON, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes										
Sales	3,343,014	3,437,312	3,441,265	3,508,951	3,523,889	3,622,103	3,674,572	3,601,120	3,159,814	4,516,922
Property	758,325	767,012	781,039	803,346	796,187	829,769	837,460	847,750	847,237	911,571
Franchise	985,514	1,113,420	1,120,803	1,068,730	1,091,162	1,132,963	1,129,594	999,207	1,078,125	1,070,612
Other	146,749	144,408	135,713	145,385	148,109	140,558	140,276	153,618	146,440	148,888
Fines and forfeitures	156,950	121,946	108,199	130,670	116,212	134,685	133,169	111,518	91,916	75,761
Charges for services	566,466	555,821	561,683	563,987	529,985	561,699	557,968	506,780	556,780	508,002
Intergovernmental	1,054,872	644,112	512,060	2,987,739	2,364,462	133,457	210,348	615,401	401,622	245,702
Interest	28,350	10,862	7,685	5,845	5,729	5,181	7,724	14,872	23,911	70,110
Other revenues	39,223	63,500	42,905	123,178	53,158	101,369	73,199	193,471	40,156	74,177
Total revenues	<u>7,079,463</u>	<u>6,858,393</u>	<u>6,711,352</u>	<u>9,337,831</u>	<u>8,628,893</u>	<u>6,661,784</u>	<u>6,764,310</u>	<u>7,043,737</u>	<u>6,346,001</u>	<u>7,621,745</u>
EXPENDITURES										
General Government	368,056	458,207	400,590	384,484	381,538	391,171	414,234	394,391	440,510	436,388
Public Safety	2,401,186	2,267,417	2,377,111	2,526,732	2,574,084	2,647,100	2,749,667	2,714,459	2,723,294	2,763,983
Economic Development	295,514	329,335	270,862	265,829	287,804	349,253	311,782	308,315	284,478	230,574
Airport	132,114	172,266	139,475	39,236	81,003	137,496	118,119	116,093	115,489	168,780
Sanitation	108,317	114,844	121,696	128,463	131,309	131,733	130,575	141,426	132,627	137,823
Streets	741,838	578,769	555,628	558,923	565,668	606,730	560,514	545,634	440,985	583,025
Community Center	152,421	18,289	1,425	1,425	118	1,251	1,250	1,195	650	
Aquatic Center	973									
Parks and Recreation	1,175,462	985,232	1,070,162	1,012,142	1,129,380	1,107,064	1,119,924	998,584	1,019,512	1,095,769
Cemetery operations	142,491	164,409	160,406	128,766	147,122	135,961	133,914	129,245	145,434	145,440
Transportation services	128,763	127,255	134,136	145,009	136,923	136,965	134,158	127,152	136,183	145,867
Pass-through for hospital									245,897	135,449
Industrial Park		2,683	25,000	50,011	25,500	24,000	8,298	83		221
Capital outlay	1,160,003	533,826	610,260	3,254,085	2,919,696	96,806	227,357	837,560	909,877	2,043,396
Debt service										
Principal	493,136	533,502	560,326	616,908	671,448	718,270	719,060	275,214	191,469	226,332
Interest and fiscal fees	179,453	166,213	150,179	128,934	87,416	29,495	14,918	84,987	55,483	51,630
Total expenditures	<u>7,479,727</u>	<u>6,452,247</u>	<u>6,577,256</u>	<u>9,240,947</u>	<u>9,139,009</u>	<u>6,513,295</u>	<u>6,643,770</u>	<u>6,674,338</u>	<u>6,841,888</u>	<u>8,164,677</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(400,264)</u>	<u>406,146</u>	<u>134,096</u>	<u>96,884</u>	<u>(510,116)</u>	<u>148,489</u>	<u>120,540</u>	<u>369,399</u>	<u>(495,887)</u>	<u>(542,932)</u>

CITY OF CLINTON, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
OTHER FINANCING SOURCES										
(USES)										
Proceeds from sale of assets	7,350	126,250	4,368	4,943	3,100		4,180		6,301	33,079
Proceeds from capital leases	45,447	49,064		80,819	66,567				4,710,000	890,355
Bond proceeds and premium					1,676,031					
Payment to escrow for bond defeasance					(1,775,000)					
Bond issue costs					(39,624)				(60,325)	
Transfers in	1,117,953	879,491	1,090,722	458,602	698,599	734,182	327,444	333,490	546,301	1,003,465
Transfers out	(1,117,953)	(879,491)	(1,090,722)	(458,602)	(698,599)	(734,182)	(327,444)	(333,490)	(501,262)	(1,013,465)
Total other financing sources (uses)	<u>52,797</u>	<u>175,314</u>	<u>4,368</u>	<u>85,762</u>	<u>(68,926)</u>	<u></u>	<u>4,180</u>	<u></u>	<u>4,701,015</u>	<u>913,434</u>
NET CHANGE IN FUND BALANCES	<u>186,893</u>	<u>272,198</u>	<u>101,252</u>	<u>(424,354)</u>	<u>79,563</u>	<u>120,540</u>	<u>124,720</u>	<u>369,399</u>	<u>4,205,128</u>	<u>370,502</u>
Debt service as a percentage of noncapital expenditures	11.8%	11.9%	12.5%	12.2%	11.7%	11.4%	11.4%	6.2%	4.2%	4.5%

CITY OF CLINTON, MISSOURI
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year Ended September 30,	Real Property	Personal Property	Total Taxable Assessed Value	Change in Valuation	% Change	Total Direct Tax Rate
78	2009	87,693,390	22,936,044	110,629,434	(3,215,296)	(2.82)	0.64
	2010	87,693,918	23,945,621	111,639,539	1,010,105	0.91	0.68
	2011	90,751,759	26,245,674	116,997,433	5,357,894	4.80	0.67
	2012	92,260,998	26,745,321	119,006,319	2,008,886	1.72	0.67
	2013	93,918,385	28,561,692	122,480,077	3,473,758	2.92	0.67
	2014	93,818,113	29,578,201	123,396,314	916,237	0.75	0.68
	2015	95,070,583	28,084,106	123,154,689	(241,625)	(0.20)	0.68
	2016	95,982,953	24,588,433	120,571,386	(2,583,303)	(2.10)	0.70
	2017	102,266,710	26,755,159	129,021,869	8,450,483	7.01	0.68
	2018	103,845,742	24,588,433	128,434,175	(587,694)	(0.46)	0.68

Source: Henry County Assessor's Office

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

CITY OF CLINTON, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30,	General Fund	Special Revenue Funds	Total Direct	Clinton Township Road	School	City Library	Health	State	County	Senior Citizens Service	Total Overlapping Rates	Total Direct and Overlapping
2009	0.53	0.15	0.68	0.15	4.41	0.20	0.10	0.03	0.07	0.05	5.01	5.69
2010	0.53	0.15	0.68	0.15	4.41	0.20	0.10	0.03	0.05	0.05	4.99	5.67
2011	0.52	0.15	0.67	0.15	4.37	0.20	0.10	0.03	0.05	0.05	4.95	5.62
2012	0.52	0.15	0.67	0.15	4.37	0.20	0.10	0.03	0.06	0.05	4.96	5.63
2013	0.52	0.15	0.67	0.15	4.38	0.20	0.10	0.03	0.07	0.05	4.98	5.65
2014	0.53	0.15	0.68	0.15	4.37	0.20	0.10	0.03	0.07	0.05	4.97	5.65
2015	0.53	0.15	0.68	0.15	4.37	0.20	0.10	0.03	0.06	0.05	4.96	5.64
2016	0.55	0.15	0.70	0.15	4.39	0.20	0.10	0.03	0.04	0.05	4.96	5.66
2017	0.53	0.15	0.68	0.15	4.39	0.19	0.10	0.03	0.06	0.05	4.97	5.65
2018	0.53	0.15	0.68	0.15	4.39	0.20	0.10	0.03	0.07	0.05	4.99	5.67

Source: Henry County Assessor, Henry County Courthouse

Note: The City's direct property tax rate may be increased only by a majority vote of the City's residents.

In addition, there is a surtax levy on commercial real property of 0.35.

CITY OF CLINTON, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Appraised Value	Rank	Percentages of Total Appraised Valuation
TKG Truman Lake Mall, LLC	4,267,940	1	3.30	1,094,920	4	0.95
T.C. Transcontinental Packaging	3,542,131	2	2.74			
Schreiber Foods	2,786,002	3	2.15	5,024,840	1	4.37
Tracker Marine	2,212,693	4	1.71	979,294	8	0.85
Hawthorn Bank	1,414,400	5	1.09	1,571,780	3	1.37
Champion Brands, LLC	1,378,237	6	1.06	665,340	10	0.58
CMHill Investments	954,530	7	0.74			
Westwood Nursing Center	706,120	8	0.55			
Empire Gas District	704,935	9	0.54	869,120	9	0.76
Farmers Elevator & Supply Co.	701,350	10	0.54			
Walmart				2,458,292	2	2.14
James and Joan Bourland				1,077,290	5	0.94
Kansas City Power & Light				1,058,037	6	0.92
Town Creek Plaza, LLC				1,049,480	7	0.91
TOTALS	<u>18,668,338</u>		<u>14.43</u>	<u>14,753,473</u>		<u>13.79</u>

Data provided by Assessor, Henry County Courthouse.

CITY OF CLINTON, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

81	Fiscal Year	Total Taxes Levied	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy
	2009	746,970	694,286	92.9	52,684	746,970	100.00
	2010	753,790	687,988	91.3	65,802	753,790	100.00
	2011	789,967	743,942	94.2	45,978	789,920	99.99
	2012	797,699	740,506	92.8	57,115	797,621	99.99
	2013	820,984	745,682	90.8	73,784	819,466	99.82
	2014	827,125	760,604	92.0	64,809	825,413	99.79
	2015	798,508	769,377	96.4	22,332	791,709	99.15
	2016	856,857	801,602	93.6	36,107	837,709	97.77
	2017	842,191	797,325	94.7	33,872	831,197	98.69
	2018	898,797	871,371	96.9	43,581	914,952	101.80

CITY OF CLINTON, MISSOURI
DIRECT AND OVERLAPPING
SALES TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City Rate	Henry County
2009	2.25	1.00
2010	2.25	1.00
2011	2.25	1.00
2012	2.25	1.00
2013	2.25	1.00
2014	2.25	1.00
2015	2.25	1.00
2016	1.50	1.00
2017	1.50	1.00
2018	2.13	1.00

Source: Missouri Department of Revenue

CITY OF CLINTON, MISSOURI
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(in thousands of dollars)
(UNAUDITED)

Sales by Retail Category	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Auto dealers and supplies	3,810	3,897	4,101	4,083	4,164	3,609	3,908	4,393	3,381	1,664
Building materials and farm tools	9,072		9,477	10,211	8,302	7,511	8,290	9,489	8,507	5,083
Communications	6,548	6,424	5,949	5,476	5,087	5,304	5,200	4,410	4,139	2,095
Eating and drinking establishments	20,388	20,820	21,458	21,819	21,559	22,137	23,961	23,884	21,801	10,909
Food stores	14,967	15,224	16,047	15,973	14,950	16,328	16,935	17,195	4,600	4,559
General merchandise	56,474	103,696	56,307	57,943	59,889	60,686	63,505	63,722	12,323	5,615
Home furnishings and appliances	3,416	2,635	3,847	3,795	4,104	4,203	4,136	4,057	976	531
All other outlets	7,989	6,456	24,173	26,177	27,284	24,747	25,968	28,435	15,943	6,991
Nondisclosed sales **	48,931	5,835	29,831	29,753	32,636	33,393	31,714	31,996		
Total	<u>171,595</u>	<u>164,987</u>	<u>171,190</u>	<u>175,230</u>	<u>177,975</u>	<u>177,918</u>	<u>183,617</u>	<u>187,581</u>	<u>71,670</u>	<u>37,447</u>

* - 2018 Data is presented as of June 30, 2018, as full-year information was not available at the time this report was created.

** - The state of Missouri does not disclose sales figures for SIC codes with fewer than six establishments. This category represents the total of those sales.

Starting in 2017, the state of Missouri switched from reporting taxable sales using the SIC codes to the NAICS codes.

The taxable sales information presented for 2017 and 2018 is incomplete. The Missouri Department of Revenue is working on providing correct balances but a timeline has not been established to receive such information.

Source: Missouri Department of Revenue

CITY OF CLINTON, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended September 30,	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases	Sales Tax Revenue Bonds			
2009	3,937,186	56,182	3,724,735	7,776,182	2.59	793
2010	3,440,088	71,744	3,222,630	6,786,744	2.17	682
2011	2,912,990	41,418	2,715,525	5,716,418	1.99	635
2012	2,355,892	65,329	2,198,420	4,660,329	1.52	519
2013	1,633,969	70,448	1,671,315	3,375,732	1.12	362
2014	1,000,773	22,178	1,140,790	2,120,615	0.67	235
2015	310,515	2,137,368	577,895	3,025,778	0.93	336
2016	80,257	2,087,154		2,167,411	0.64	238
2017		6,680,685		6,680,685	1.98	734
2018		7,344,707		7,344,707	2.18	824

CITY OF CLINTON, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2018
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Clinton School District	21,718,110	75.52%	16,401,517
Subtotal, overlapping debt			
City of Clinton, Missouri, Direct Debt			<u>7,344,707</u>
Total direct and overlapping debt			<u><u>23,746,224</u></u>

Note: The School District is the only outstanding, overlapping debt paid by property taxes. The County and all other levying districts do not use property tax for outstanding debt or have no outstanding debt. All debt for the City of Clinton is paid from resources other than property taxes.

CITY OF CLINTON, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2018
(UNAUDITED)

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Assessed valuation			128,434,175
Constitutional debt limit	12,843,418	12,843,418	25,686,835
Less general obligation bonds payable	12,843,418	12,843,418	25,686,835
Cash and securities available for retirement	12,843,418	12,843,418	25,686,835

- (1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes, not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.
- (2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way; constructing, extending, and improving streets and avenues and/or sanitary or storm systems; and purchasing or constructing waterworks, electric, or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

CITY OF CLINTON, MISSOURI
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

SALES TAX REVENUE BONDS

Fiscal Year Ended September 30,	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2009	828,487	490,000	199,964	1.20
2010	843,020	505,000	178,685	1.23
2011	853,343	510,000	137,099	1.32
2012	855,899	520,000	113,461	1.35
2013	851,030	530,000	106,355	1.34
2014	895,374	545,000	76,297	1.44
2015	904,254	575,000	17,432	1.53
2016	471,631			N/A
2017	2,180			N/A
2018	75			N/A

CITY OF CLINTON, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2009	9,800	300,506,220	30,664	2,111	9.60%
2010	9,950	312,733,450	31,430	2,059	9.82%
2011	9,008	287,922,704	31,963	2,131	8.70%
2012	8,986	305,640,818	34,013	2,221	6.96%
2013	9,313	300,688,831	32,287	2,194	5.80%
2014	9,026	318,446,306	35,281	2,036	5.50%
2015	9,015	324,540,000	36,000	1,976	5.10%
2016	9,100	336,700,000	37,000	1,976	4.80%
2017	9,100	336,700,000	37,000	2,114	3.50%
2018	8,911	356,192,848	36,091	1,944	3.10%

Data Sources:

1. Bureau of Census for 2012 to 2014 and 2018; estimates for years 2008 to 2011 and 2015 to 2017.
2. Fiscal Years Ended 2009 to 2014 - www.missourieconomy.org.
Fiscal Years Ended 2015 to 2017 - estimated.
Fiscal Year Ended 2018 - Bureau of Census
3. Clinton School District, Clinton Christian Academy, Holy Rosary Catholic School, and 7th Day Adventist School
4. Missouri Career Center for 2008 to 2012 and Missouri Eco Research & Information Center Data for 2013 to 2018 - Rate is for Henry County.

CITY OF CLINTON, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Employer	2018			2009	
	Employees	Rank	Percent of Total	Employees	Rank
Golden Valley Memorial Hospital	840	1	17.92	620	1
TC Transcontinental	403	2			
Schreiber Foods	390	3	8.32	562	3
Pathways	282	4	6.02	120	7
Tracker Marine	280	5	5.97	200	5
Wal-Mart	239	6	5.10	569	2
Clinton School District	222	7	4.74	300	4
Jim Falk Motors	90	8	1.92		
Champion Brands	76	9	1.62		
City of Clinton	72	10	1.54	72	10
KCP & L				132	6
Golden Valley Country Mart (Price Cutter)				74	9
Hawthorn Bank				75	8

Source: City of Clinton Staff Survey of Local Employers

CITY OF CLINTON, MISSOURI
SCHEDULE OF PROPERTY VALUE, CONSTRUCTION PERMITS
ISSUED, AND TOTAL DOLLARS ON DEPOSIT AT YEAR END WITH
LOCAL BANKS AND SAVINGS AND LOANS
LAST TEN FISCAL YEARS
(UNAUDITED)

Construction Permits and Value

Year	Residential (1)		Commercial (2)		Total Year End Deposits at Local Banks (3)	Total Property Value (4)
	Number	Value	Number	Value	(Thousands)	(Thousands)
2009	20	3,408,475	14	20,986,716	358,388	461,052
2010	15	1,431,460	8	4,728,526	344,441	463,826
2011	18	4,991,524	6	1,511,000	363,624	487,637
2012	33	1,715,085	5	1,727,973	361,060	495,395
2013	16	881,631	6	732,665	375,483	508,723
2014	10	952,698	14	9,587,169	365,636	527,750
2015	27	1,784,995	8	30,108,602	369,532	526,532
2016	10	3,920,939	5	2,393,800	232,747	484,579 *
2017	20	1,531,444	3	1,892,800	372,511	491,268
2018	13	1,356,930	5	4,443,750	405,426	507,672

- (1) Information obtained from Building Administration Department. Includes only new residential and room additions to existing homes. Does not include remodeling, fences, etc. 2012 - 2016 includes detached garages and carports.
- (2) Information obtained from Building Administration Department. Includes only new commercial and building additions. Does not include remodeling.
- (3) Information obtained from local banks.
- (4) County Assessor determines based upon legislated relationship of actual property values to assessed values.

*Beginning 2016, state assessed values are not included.

CITY OF CLINTON, MISSOURI
OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business Licenses Issued	724	988	714	678	741	712	720	669	709	647
Building Permits	140	140	116	143	138	166	130	144	162	183
Burial Permits	75	92	112	107	95	86	130	92	77	79
Area Transit Service										
Passengers	22,898	22,319	27,676	26,582	24,089	23,715	23,015	18,861	17,550	15,300
Fire Department										
Emergency response	255	160	160	175	275	355	329	357	141	124
Fires extinguished	86	62	60	39	74	141	108	79	70	85
Inspections	379	114	150	248	78	201	143	78	206	229
Police Department										
Physical arrests	691	725	772	727	808	1,009	811	910	304	304
Traffic stops	3,745	2,318	2,188	2,428	2,837	5,101	2,398	1,320	1,951	1,597
Traffic citations	1,622	1,187	459	746	934	1,512	1,377	1,131	840	497
Municipal Court										
Cases filed	2,246	1,465	1,501	1,724	1,705	1,526	1,428	1,475	1,476	1,227
Street Department										
Resurface/sealing (miles)	6.3	6.0	6.3			6.0		1.2		1.6
Transfer Station										
Tons transported	1,184	1,338	1,630	1,587	1,490	1,619	1,650	1,475	1,597	1,240
Wastewater										
Sewage treated (mgls)	514.0	589.0	410.0	413.2	421.0	416.0	426.0	464.0	459.3	442.5
Sewer connections	4,393	4,369	4,436	4,283	4,282	4,300	4,354	4,396	4,271	4,321
Outdoor Pool Admissions	6,837	8,261	8,520	8,151	7,582	5,510	8,362	8,857	18,736	19,420
Indoor Pool Admissions	15,089	14,945	14,448	13,816	9,422	8,055	12,655	13,526	17,305	16,941

Source: City Department Heads

CITY OF CLINTON, MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Area Transportation Service										
Vans, buses	4	5	5	5	4	3	4	4	4	4
Police										
Patrol units	8	8	8	11	11	11	11	11	11	11
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire trucks	5	5	5	5	5	5	5	5	5	5
Fire stations	1	1	1	1	1	1	1	1	1	1
Streets										
Miles	100	100	100	100	100	100	100	100	100	100
Number of streets	180	180	180	180	180	180	180	180	180	180
Trucks with plows and spreaders	4	3	4	4	4	4	4	4	4	4
Parks										
Parks	8	8	8	8	8	8	8	8	8	8
Acreage	129	129	129	129	129	129	129	129	129	129
Playgrounds	9	9	9	9	9	9	9	9	9	9
Ball fields	6	6	6	6	6	6	6	6	6	6
Soccer fields	6	6	6	6	6	6	6	6	6	6
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
Transfer Station										
Container trucks	1	1	1	1	1	1	1	1	1	1
Compactors	1	2	2	1	1	1	1	1	1	1
Containers	2	2	2	4	4	4	4	4	4	4
Wastewater										
* Sanitary sewer (miles)	101	110	73	73	73	75	78	79	79	79
Plant capacity (mg/l)	2	2	2	2	2	2	2	5	5	5
Sludge trucks	2	2	2	2	2	2	2	2	2	2
Vac. trucks	1	1	1	1	1	1	1	1	1	1

Source: City Department Heads

* = years 2009 to 2010 were estimates by the Department of Natural Resources (DNR)
2011 to 2018 report actual GPS figures

CITY OF CLINTON, MISSOURI
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration	5	5	5	5	5	5	5	5	5	5
Police										
Sworn	22	22	22	23	22	21	22	22	22	22
Civilian	1	1	1	1	1	1	1	1	1	1
Municipal Court	1	1	1	1	1	1	1	1	1	1
Fire Department	13	14	12	13	13	13	13	13	13	14
Code Enforcement/ Animal Shelter	1	1	1	1	1	1	1	1	1	1
Community Development	1	1	1	1	1	1	1	1	1	1
Street	8	8	8	8	8	8	8	7	7	7
Parks and Recreation	10	10	10	10	10	10	10	10	10	10
Wastewater	6	6	7	7	6	6	6	6	6	6
Transfer Station	1	1	1	1	1	1	1	1	1	1
Cemetery	2	2	2	2	2	2	2	2	2	2
ATS	1	1	1	1	1	1	1	1	1	1
Total	<u>72</u>	<u>73</u>	<u>72</u>	<u>74</u>	<u>72</u>	<u>71</u>	<u>72</u>	<u>71</u>	<u>71</u>	<u>72</u>

Source: City Human Resources Department

ACCOMPANYING INFORMATION

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CITY OF CLINTON, MISSOURI
SCHEDULE OF SALES TAX COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General (1%)	1,669,397	1,674,083	1,712,306	1,712,421	1,702,054	1,790,827	1,808,574	1,882,646	1,791,314	1,914,903
Transportation (0.25%)	397,386	394,442	402,987	405,058	404,053	420,939	428,728	449,869	428,256	457,336
Use (2.25%)	173,152	181,870	187,189	245,428	285,424	228,065	221,822	234,027	147,060	234,232
Park (0.25%)							423,693	442,558	427,799	457,786
Aquatic (0.25%)	397,385	394,441	402,986	405,057	404,053	420,938	5,135	3,651	519	
Community Center (0.25%)	392,905	394,549	403,005	405,082	404,059	421,070	428,717	224,794	1,070	37
Sewer (0.5%)	834,622	837,067	856,085	856,166	851,030	895,374	904,254	471,631	2,180	75
Additional City Storm Water/Local Parks (0.125%)										217,938
Mass Transportation (0.25%)										435,876
Fire Protection (0.25%)										435,876
	<u>3,864,847</u>	<u>3,876,452</u>	<u>3,964,558</u>	<u>4,029,212</u>	<u>4,050,673</u>	<u>4,177,213</u>	<u>4,220,923</u>	<u>3,709,176</u>	<u>2,798,198</u>	<u>4,154,059</u>



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor
and Members of the City Council
City of Clinton, Missouri

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 City of Clinton, Missouri, which comprise the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2018, and have issued our report thereon dated January 5, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 over financial reporting 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be a significant deficiency as item 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clinton, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

City of Clinton, Missouri's Response to Findings

The City of Clinton, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Clinton, Missouri's response, and accordingly, we express no opinion on it.

Purpose of this Report

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

Dana F Cole + Company, LLP.

Overland Park, Kansas
January 5, 2019

CITY OF CLINTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2018

2018-001 RELIANCE UPON THE AUDITOR

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements in conformity with accounting principles generally accepted in the United States of America.

Condition

Management should possess the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors. During our audit, we compiled a working trial balance from financial records provided by the City.

Cause

City personnel do not obtain the expertise necessary to provide the auditors with a trial balance adjusted in accordance with accounting principles generally accepted in the United States of America and to draft the year end financial statements, supplementary information, and notes to the financial statements.

Potential Effect

The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control.

Recommendation

We recommend that the City review and approve the proposed auditor adjusting entries and the adequacy of financial statement disclosures prepared by the auditors and apply analytic procedures to the draft financial statements to ensure that all assets and liabilities of the City are recorded, among other procedures as considered necessary by management.

Views of Responsible Officials and Corrective Action Plan

The City relies on the auditor to propose adjustments necessary to prepare the financial statements including the related note disclosures. The City reviews such financial statements and approves all adjustments. The City also uses analytic procedures among other procedures necessary to complete the Management Discussion and Analysis.

CITY OF CLINTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2018

2017-001 RELIANCE UPON THE AUDITOR

Management should possess the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors. As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements in conformity with accounting principles generally accepted in the United States of America. The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control. We recommended that the City review and approve the proposed auditor adjusting entries, the adequacy of financial statement disclosures prepared by the auditors, and apply analytic procedures to the draft financial statements among other procedures as considered necessary by management. This is a continuing finding as noted in the schedule of findings and responses as item 2018-001 for the year ended September 30, 2018.

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