

City of Clinton, Missouri

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2020

Prepared by:
Christy Maggi, City Administrator
Wendee Seaton, City Clerk/Finance Officer

CITY OF CLINTON, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by: Christy Maggi
City Administrator

Wendee Seaton
City Clerk/Chief Financial Officer

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INTRODUCTORY SECTION

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January 18, 2021

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, 2020. 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 90 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. Four projects have been completed to date. Additional projects may occur, depending on the remaining balance in the account for proceeds from the sale of certificates of participation. 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, 2020:

- Police vehicles and equipment
- Park vehicles and equipment
- Fire department vehicles and equipment
- Fire department building improvements
- Airport improvements
- Cemetary equipment
- Street improvements and land
- Street equipment
- Sewer improvements and equipment

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, 2019. 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,



Wendee Seaton, City Clerk/Chief Financial Officer

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PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020

ELECTED OFFICIALS

Mayor	Greg Lowe
Ward I Council Members	Daniel Wilson Debbie Smith
Ward II Council Members	Kenneth F. Scott, Jr. Carla Moberly
Ward III Council Members	Becky Raysik Cameron Jackson
Ward IV Council Members	Rick Pereles Gene Henry

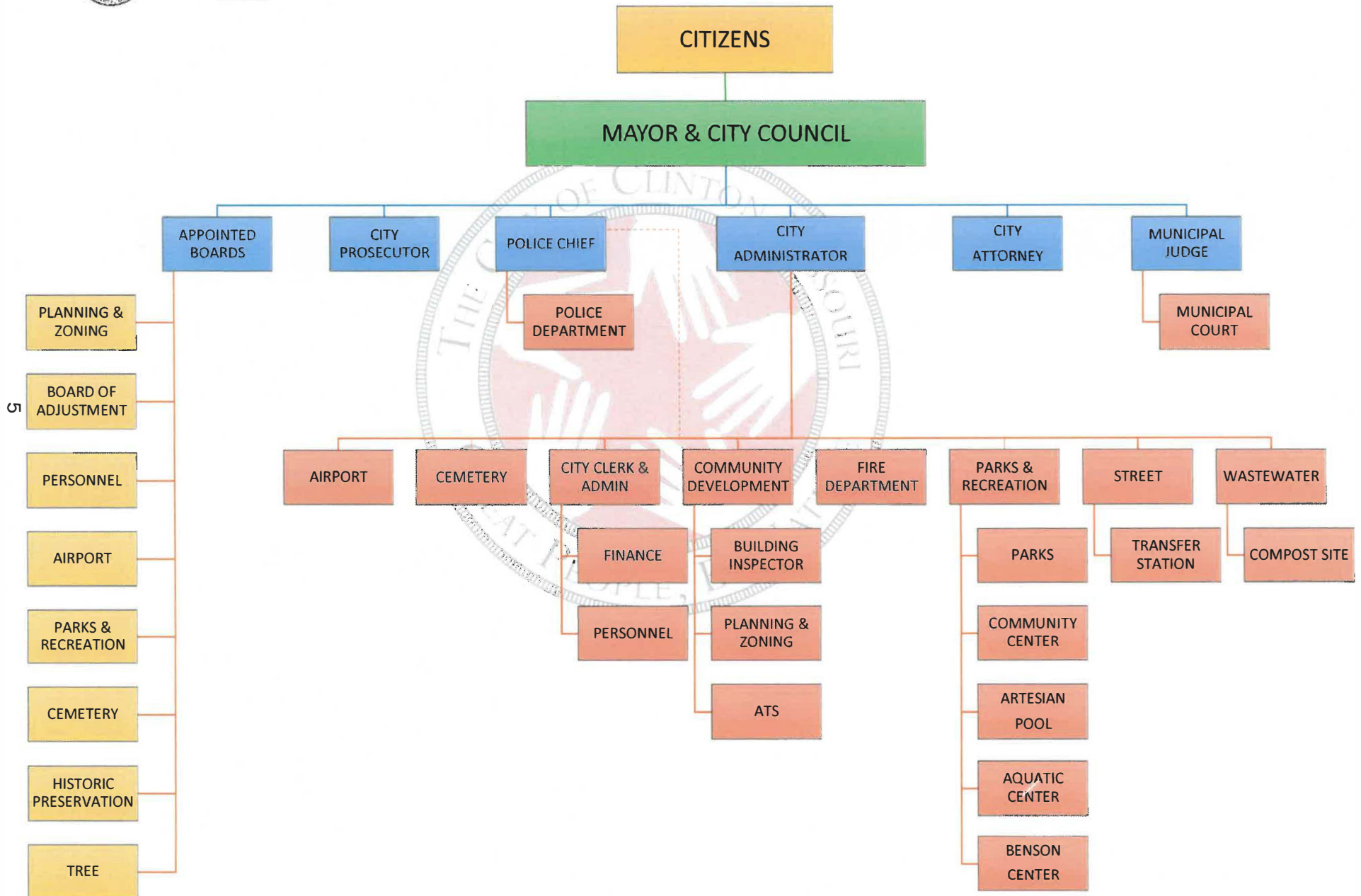
ADMINISTRATOR AND DEPARTMENT HEADS

City Administrator	Christy Maggi
City Clerk/Chief Financial Officer	Wendee Seaton
Chief of Police	Kevin Miller
Community Development Director	Charles Bailey
Fire Chief	Mark Manuel
Parks and Recreation Director	Brad Combs
Municipal Judge	Gary V. Cover
Street Superintendent	T.J. Williams
Wastewater	Alliance Water Resources
Cemetery Sexton	John Wilson
City Attorney	Douglas Harris
City Prosecutor	Brandon Baker

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ORGANIZATIONAL CHART



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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Clinton
Missouri**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

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, 2020, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Missouri, as of September 30, 2020, 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, budgetary comparison information on pages 61 - 66, schedule of employer's contributions on page 67, and schedule of changes in net pension liability on page 68 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 schedule of revenues, expenditures, and changes in fund balance - general fund components on pages 71 - 72; combining and individual nonmajor fund financial statements on pages 73 - 74; budgetary comparison schedules on pages 75 - 76; statistical section on pages 77 - 98; and schedule of sales tax collections on page 99 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 69 - 70 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards on pages 69 - 70; combining schedule of revenues, expenditures, and changes in fund balance - general fund components on pages 71 - 72; combining and individual nonmajor fund financial statements on pages 73 - 74; and the budgetary comparison schedules on pages 75 - 76 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 other supplementary information on pages 69 - 76 is 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 77 - 98, and accompanying information (schedule of sales tax collections) on page 99, 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 18, 2021, 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 18, 2021

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, 2020. 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 totaled \$50 million at the end of the fiscal year ending September 30, 2020. In comparison to the year ended September 30, 2019, total assets increased more than \$1.1 million from their prior year ending balance. The City's unrestricted cash and investments increased by \$1.8 million primarily due to funding for continuing capital assets that will be spent in subsequent years. The balance of the City's capital assets, net of accumulated depreciation, increased by \$832 thousand 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 \$279 thousand from the prior year due to increased spending in the area and additional sales taxes collected. In the governmental-type activities, City revenues exceeded expenses by \$581 thousand.

The business-type activities reported a reduction in net assets before general revenues of \$421 thousand and the inclusion of general revenues resulted in an overall decrease in net position of \$278 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.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE CITY AS A WHOLE (Continued)

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.

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.

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The City's combined net position increased \$301 thousand compared to an increase of \$176 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.

Statement of Net Position (Thousands of dollars)							
	Governmental Activities		Business-Type Activities		Total		%
	2020	2019	2020	2019	2020	2019	Change 2020 - 2019
ASSETS							
Current and other assets	8,588	8,309	6,544	6,451	15,132	14,760	2.5
Capital assets	25,517	24,684	9,093	9,428	34,610	34,112	1.5
Total assets	<u>34,105</u>	<u>32,993</u>	<u>15,637</u>	<u>15,879</u>	<u>49,742</u>	<u>48,872</u>	<u>1.8</u>
DEFERRED OUTFLOWS OF RESOURCES							
Resources to be recognized in future pension expense	<u>660</u>	<u>170</u>	<u>8</u>	<u>227</u>	<u>668</u>	<u>397</u>	<u>68.3</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>34,765</u>	<u>33,163</u>	<u>15,645</u>	<u>16,106</u>	<u>50,410</u>	<u>49,269</u>	<u>2.3</u>
LIABILITIES							
Long-term debt	7,715	7,584		22	7,715	7,606	1.4
Net pension liability	1,108	404	56	30	1,164	434	168.2
Other liabilities	966	581	145	90	1,111	671	65.6
Total liabilities	<u>9,789</u>	<u>8,569</u>	<u>201</u>	<u>142</u>	<u>9,990</u>	<u>8,711</u>	<u>14.7</u>
DEFERRED INFLOWS OF RESOURCES							
Resources to be recognized in future pension expense	<u>147</u>	<u>647</u>	<u>29</u>	<u>89</u>	<u>176</u>	<u>736</u>	<u>(76.1)</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>9,936</u>	<u>9,216</u>	<u>230</u>	<u>231</u>	<u>10,166</u>	<u>9,447</u>	<u>7.6</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
	2020	2019	2020	2019	2020	2019	2020 - 2019
NET POSITION							
Net investment in capital assets	17,971	17,262	9,093	9,428	27,064	26,690	1.4
Restricted	1,338	2,525			1,338	2,525	(47.0)
Unrestricted	5,520	4,463	6,323	6,266	11,843	10,729	10.4
Total net position	<u>24,829</u>	<u>24,250</u>	<u>15,416</u>	<u>15,694</u>	<u>40,245</u>	<u>39,944</u>	<u>0.8</u>

Governmental Activities

Current and Other Assets - Total current and other assets increased \$279 thousand. Part of this increase was attributable to an increase in liabilities for the funding of capital assets.

Capital Assets - Capital assets, net of accumulated depreciation, increased \$833 thousand from the prior year mainly due to street improvement projects. The City added \$1.9 million in capital outlay, which was offset by \$1.1 million in noncash depreciation expense.

Other Liabilities - Other liabilities increased \$385 thousand. The main increase is for funding of capital assets that are payable in the next fiscal year.

Net Pension Liability and related deferred outflows and inflows of resources - The net pension liability and related deferred outflows and inflows of resources with the City's multi-employer benefit plan has an allocated balance for the governmental activities of \$595 thousand.

Long-Term Debt - Long-term debt increased \$131 thousand, due to the receipt of lease proceeds through Hawthorn Bank.

Net Position - Governmental net position increased \$579 thousand from the prior year.

Business-Type Activities

Current and Other Assets - Total current and other assets increased \$93 thousand. The majority of this increase was in unrestricted cash.

Capital Assets - Capital assets, net of accumulated depreciation, decreased \$335 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 \$55 thousand from the prior year. The increase is primarily due to operational expenses incurred, but paid in the following subsequent year.

Net Position - Business-type net position decreased a total of \$278 thousand.

Statement of Activities (Thousands of dollars)							
	Governmental Activities		Business-Type Activities		Total		%
	2020	2019	2020	2019	2020	2019	Change 2020 - 2019
REVENUES							
Program revenues							
Charges for services	564	620	1,272	1,159	1,836	1,779	3.2
Operating grants	664	76	25		689	76	806.6
Capital grants		1,093		7		1,100	(100.0)
General revenues							
Property taxes	940	924			940	924	1.7
Sales taxes	4,953	4,674			4,953	4,674	6.0
Franchise taxes	957	973			957	973	(1.6)
Investment earnings	66	107	114	165	180	272	(33.8)
Other	192	261	29	4	221	265	(16.6)
Total revenues	<u>8,336</u>	<u>8,728</u>	<u>1,440</u>	<u>1,335</u>	<u>9,776</u>	<u>10,063</u>	<u>(2.9)</u>
EXPENSES							
General Government	650	671			650	671	(3.1)
Public Safety	3,311	3,524			3,311	3,524	(6.0)
Streets	871	835			871	835	4.3
Parks and Recreation	1,577	1,626			1,577	1,626	(3.0)
Other	1,113	1,136			1,113	1,136	(2.0)
Interest/fiscal	235	354			235	354	(33.6)
Sewer			1,718	1,740	1,718	1,740	(1.3)
Total expenses	<u>7,757</u>	<u>8,146</u>	<u>1,718</u>	<u>1,740</u>	<u>9,475</u>	<u>9,886</u>	<u>(4.2)</u>
CHANGE IN NET POSITION	579	582	(278)	(405)	301	177	<u>70.1</u>
NET POSITION, beginning	<u>24,250</u>	<u>23,668</u>	<u>15,694</u>	<u>16,099</u>	<u>39,944</u>	<u>39,767</u>	
NET POSITION, ending	<u>24,829</u>	<u>24,250</u>	<u>15,416</u>	<u>15,694</u>	<u>40,245</u>	<u>39,944</u>	

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (Continued)

Governmental Activities

Governmental Revenues decreased from the prior year by \$392 thousand as the prior year included capital grant revenues of \$1 million. Governmental expenses also decreased from the prior year by \$389 thousand.

Business-Type Activities

Charges for services increased \$113 thousand compared to the prior year. Total business-type expenditures decreased by \$22 thousand.

Government-Wide Financial Analysis

The City's overall financial condition remains healthy after fiscal year 2020 results, with total revenues exceeding total expenditures by approximately \$301 thousand.

The City's statement of net position shows that the City has current and other assets totaling \$15.1 million, of which \$11.7 million is unrestricted pooled cash and investments. Current liabilities, including the current portion of long-term debt, are \$1.6 million.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

Governmental Funds

**Fund Balances
September 30, 2020 and 2019**

Fund Name	2020	2019
General	4,151,933	3,754,485
Fire Protection	95,831	54,123
Street	873,657	775,965
Street Improvement	1,873,616	2,681,549
Parks and Recreation	530,298	370,848
Other nonmajor	96,637	89,847
Total	<u>7,621,972</u>	<u>7,726,817</u>

The fund balance in the General Fund increased \$398 thousand, which was primarily due to an increase in lease proceeds for capital assets to be paid in subsequent years.

The Fire Protection Fund recorded its third year of tax receipts. Fund balance increased by \$42 thousand.

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 \$98 thousand.

The Street Improvement Fund also recorded its third year of tax receipts. Within the current year, the City made significant improvements to streets was also established within the prior year. As a result of the increased expenditures, the fund balance decreased by \$808 thousand.

The fund balance of the Parks and Recreation Fund increased \$159 thousand as sales tax collections were \$98 thousand more than the prior year.

**Budgetary Comparison Schedule
General Fund**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	3,809,526	3,881,214	71,688
Intergovernmental	163,105	1,244,821	1,081,716
Charges for services	195,300	251,667	56,367
Fines and forfeitures	72,500	72,406	(94)
Interest	82,800	46,836	(35,964)
Other	16,648	18,059	1,411
Total revenues	<u>4,339,879</u>	<u>5,515,003</u>	<u>1,175,124</u>
EXPENSES			
General Government	588,284	542,567	45,717
Public Safety	2,017,158	2,033,243	(16,085)
Economic Development	310,833	239,763	71,070
Airport	278,016	153,825	124,191
Sanitation	158,618	174,222	(15,604)
Capital outlay	841,067	706,394	134,673
Debt service	176,005	176,004	1
Total expenses	<u>4,369,981</u>	<u>4,026,018</u>	<u>343,963</u>
REVENUES OVER (UNDER) EXPENDITURES	(30,102)	1,488,985	1,519,087
OTHER FINANCING SOURCES (USES)	<u>(875,241)</u>	<u>(315,198)</u>	<u>560,043</u>
NET CHANGE IN FUND BALANCE	<u>(905,343)</u>	<u>1,173,787</u>	<u>2,079,130</u>

CITY OF CLINTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE BUDGETARY COMPARISON SCHEDULE

Actual revenues in the General Fund were higher than budgeted revenues and actual expenses were less than budgeted expenses by a total of \$344 thousand. Overall, the actual change in budgetary fund balance was an increase of \$1.5 million. 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	124,947			216,385
Public Safety*	676,478	339,937	2,513,166			3,529,581
Streets	2,816,335	117,849	993,858	4,283,329		8,211,371
Parks and Recreation	276,571	12,832,093	500,131			13,608,795
Cemetery		25,016	194,389			219,405
Industrial Park	352,360	418,937				771,297
Airport	1,510,141	273,569	209,795	6,499,093		8,492,598
Sewer	258,853	5,612,194	2,003,130		13,591,950	21,466,127
Total	<u>6,060,949</u>	<u>22,625,895</u>	<u>6,974,579</u>	<u>10,782,422</u>	<u>13,591,950</u>	<u>60,035,795</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, 2020.

DEBT ADMINISTRATION

Regular debt service payments during fiscal year 2020 are summarized as follows:

	Principal	Interest	Total
Governmental funds	<u>415,662</u>	<u>235,336</u>	<u>650,998</u>

Please refer to Note 11 for more detailed information regarding long-term debt activity, including new loans, during the fiscal year ended September 30, 2020.

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled cash and investments	5,319,743	6,338,393	11,658,136
Accounts receivable		147,915	147,915
Taxes receivable	884,276		884,276
Grants receivable	117,057		117,057
Other receivables	49,134		49,134
Prepaid items	180,784	20,092	200,876
Restricted cash and investments	2,036,875	37,960	2,074,835
Capital assets			
Land	2,428,708	124,415	2,553,123
Construction in progress	3,373,388	134,438	3,507,826
Other capital assets, net of depreciation	<u>19,714,838</u>	<u>8,834,584</u>	<u>28,549,422</u>
TOTAL ASSETS	<u>34,104,803</u>	<u>15,637,797</u>	<u>49,742,600</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources to be recognized in future pension expense	<u>659,781</u>	<u>8,383</u>	<u>668,164</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>34,764,584</u>	<u>15,646,180</u>	<u>50,410,764</u>
LIABILITIES			
Accounts payable	94,584	69,922	164,506
Accrued liabilities	172,825	36,933	209,758
Liabilities payable from restricted assets	698,488	37,960	736,448
Long-term liabilities			
Net pension liability, due in more than one year	1,108,351	55,944	1,164,295
Due within one year	646,306		646,306
Due in more than one year	<u>7,068,377</u>		<u>7,068,377</u>
TOTAL LIABILITIES	<u>9,788,931</u>	<u>200,759</u>	<u>9,989,690</u>
DEFERRED INFLOWS OF RESOURCES			
Resources to be recognized in future pension expense	<u>146,811</u>	<u>29,150</u>	<u>175,961</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>9,935,742</u>	<u>229,909</u>	<u>10,165,651</u>

CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	17,970,599	9,093,437	27,064,036
Restricted	1,338,387		1,338,387
Unrestricted	<u>5,519,856</u>	<u>6,322,834</u>	<u>11,842,690</u>
TOTAL NET POSITION	<u>24,828,842</u>	<u>15,416,271</u>	<u>40,245,113</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, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
	Expenses					
Functions/programs						
Primary government						
Governmental activities						
General Government	649,526	120,168	429,304	(100,054)		(100,054)
Public Safety	3,310,647	72,406	13,447	(3,224,794)		(3,224,794)
Economic Development	240,613			(240,613)		(240,613)
Airport	338,212		17,910	(320,302)		(320,302)
Sanitation	179,449	131,499		(47,950)		(47,950)
Streets	870,540	829		(869,711)		(869,711)
Parks and Recreation	1,576,766	171,237	98,823	(1,306,706)		(1,306,706)
Cemetery operations	171,561	59,899	213	(111,449)		(111,449)
Transportation services	173,955	7,573	104,657	(61,725)		(61,725)
Industrial park	10,504			(10,504)		(10,504)
Interest on long-term debt	235,336			(235,336)		(235,336)
Total governmental activities	<u>7,757,109</u>	<u>563,611</u>	<u>664,354</u>	<u>(6,529,144)</u>		<u>(6,529,144)</u>
Business-type activities						
Sewer	<u>1,718,478</u>	<u>1,272,365</u>	<u>25,344</u>		<u>(420,769)</u>	<u>(420,769)</u>
Total primary government	<u>9,475,587</u>	<u>1,835,976</u>	<u>689,698</u>	<u>(6,529,144)</u>	<u>(420,769)</u>	<u>(6,949,913)</u>
General revenues						
Taxes						
Property tax, levied for general purposes				940,225		940,225
Local sales tax				4,952,906		4,952,906
Franchise taxes				956,931		956,931
Other taxes				142,102		142,102
Unrestricted investment earnings				65,963	114,200	180,163
Gain on sale of assets				7,000		7,000
Other income				43,363	28,476	71,839
Total general revenues				<u>7,108,490</u>	<u>142,676</u>	<u>7,251,166</u>
CHANGE IN NET POSITION				579,346	(278,093)	301,253
NET POSITION, beginning of year				<u>24,249,496</u>	<u>15,694,364</u>	<u>39,943,860</u>
NET POSITION, end of year				<u>24,828,842</u>	<u>15,416,271</u>	<u>40,245,113</u>

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

CITY OF CLINTON, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Fire Protection Fund	Street Fund	Street Improvement Fund	Parks and Recreation Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS							
ASSETS							
Pooled cash and investments	3,588,483		752,608	510,628	401,351	66,673	5,319,743
Taxes receivable	432,650	72,415	136,846	72,415	169,950		884,276
Grants receivable	117,057						117,057
Other receivables	10,592					38,542	49,134
Prepaid items	115,140	21,624	14,285		20,210	9,525	180,784
Restricted cash and cash equivalents	<u>698,488</u>	<u>46,814</u>		<u>1,290,573</u>	<u>1,000</u>		<u>2,036,875</u>
TOTAL ASSETS	<u>4,962,410</u>	<u>140,853</u>	<u>903,739</u>	<u>1,873,616</u>	<u>592,511</u>	<u>114,740</u>	<u>8,587,869</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds							
Accounts payable	30,665	11,321	16,734		30,507	5,357	94,584
Accrued liabilities	81,324	33,701	13,348		31,706	12,746	172,825
Liabilities payable from restricted assets	<u>698,488</u>						<u>698,488</u>
Total liabilities	<u>810,477</u>	<u>45,022</u>	<u>30,082</u>		<u>62,213</u>	<u>18,103</u>	<u>965,897</u>
FUND BALANCES							
Nonspendable	115,140	21,624	14,285		20,210	9,525	180,784
Restricted		46,814		1,290,573	1,000		1,338,387
Committed	761,789						761,789
Assigned		27,393	859,372	583,043	509,088	87,112	2,066,008
Unassigned	<u>3,275,004</u>						<u>3,275,004</u>
Total fund balances	<u>4,151,933</u>	<u>95,831</u>	<u>873,657</u>	<u>1,873,616</u>	<u>530,298</u>	<u>96,637</u>	<u>7,621,972</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>4,962,410</u>	<u>140,853</u>	<u>903,739</u>	<u>1,873,616</u>	<u>592,511</u>	<u>114,740</u>	<u>8,587,869</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, 2020

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

Fund balance - total governmental funds		7,621,972
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	38,782,359	
Less accumulated depreciation	<u>(13,265,425)</u>	
		25,516,934
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	(7,046,335)	
Loans	<u>(500,000)</u>	
		(7,546,335)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(168,348)
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 liability	(1,108,351)	
Deferred outflows of resources to be recognized in future pension expense	659,781	
Deferred inflows of resources to be recognized in future pension expense	<u>(146,811)</u>	
		<u>(595,381)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>24,828,842</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, 2020

	General Fund	Fire Protection Fund	Street Fund	Street Improvement Fund	Parks and Recreation Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	734,508				205,717		940,225
Sales	2,061,647	491,931	847,835	491,931	1,059,562		4,952,906
Franchise	956,931						956,931
Other	142,102						142,102
Charges for services	251,667		829		171,237	67,472	491,205
Fines and forfeitures	72,406						72,406
Intergovernmental	447,214	13,447	65,893		32,930	104,870	664,354
Interest	46,836		8,741	6,230	4,102	54	65,963
Miscellaneous	18,059	4,748	2,805		13,411	4,340	43,363
Total revenues	<u>4,731,370</u>	<u>510,126</u>	<u>926,103</u>	<u>498,161</u>	<u>1,486,959</u>	<u>176,736</u>	<u>8,329,455</u>
EXPENDITURES							
Current							
General Government	535,273						535,273
Public Safety	2,033,243	1,102,901					3,136,144
Economic Development	239,763						239,763
Airport	153,825						153,825
Sanitation	174,222						174,222
Streets			718,038				718,038
Parks and Recreation					1,165,092		1,165,092
Cemetery operations						163,528	163,528
Transportation services						158,836	158,836
Capital outlay	706,394	104,055	66,870	976,129	32,133		1,885,581

CITY OF CLINTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	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	131,274	78,655	25,733	180,000			415,662
Interest and fiscal fees	44,730	24,631	16,010	149,965			235,336
Total expenditures	<u>4,018,724</u>	<u>1,310,242</u>	<u>826,651</u>	<u>1,306,094</u>	<u>1,197,225</u>	<u>322,364</u>	<u>8,981,300</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>712,646</u>	<u>(800,116)</u>	<u>99,452</u>	<u>(807,933)</u>	<u>289,734</u>	<u>(145,628)</u>	<u>(651,845)</u>
OTHER FINANCING SOURCES (USES)							
Debt issuance	540,000						540,000
Proceeds from sale of assets		7,000					7,000
Transfers in	140,804	834,824			7,000	157,678	1,140,306
Transfers out	<u>(996,002)</u>		<u>(1,760)</u>		<u>(137,284)</u>	<u>(5,260)</u>	<u>(1,140,306)</u>
Total other financing sources (uses)	<u>(315,198)</u>	<u>841,824</u>	<u>(1,760)</u>		<u>(130,284)</u>	<u>152,418</u>	<u>547,000</u>
NET CHANGE IN FUND BALANCES	397,448	41,708	97,692	(807,933)	159,450	6,790	(104,845)
FUND BALANCE, beginning of year	<u>3,754,485</u>	<u>54,123</u>	<u>775,965</u>	<u>2,681,549</u>	<u>370,848</u>	<u>89,847</u>	<u>7,726,817</u>
FUND BALANCE, end of year	<u>4,151,933</u>	<u>95,831</u>	<u>873,657</u>	<u>1,873,616</u>	<u>530,298</u>	<u>96,637</u>	<u>7,621,972</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, 2020

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

Net change in fund balances - total governmental funds	(104,845)
--	-----------

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	1,885,581	
Depreciation	<u>(1,052,780)</u>	
		832,801

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	(540,000)	
Debt principal payments	<u>415,662</u>	
		(124,338)

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	291,743	
Pension expense reported by pension plan	<u>(310,005)</u>	
		(18,262)

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, 2020

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	<u>(6,010)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>579,346</u></u>
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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, 2020

ASSETS

Current Assets

Pooled cash and investments	6,338,393
Accounts receivable	147,915
Prepaid items	20,092
Restricted cash and investments	37,960
Total current assets	<u>6,544,360</u>

Noncurrent Assets

Capital assets

Land and construction in progress	258,853
Other capital assets, net of depreciation	8,834,584
Total noncurrent assets	<u>9,093,437</u>

TOTAL ASSETS

15,637,797

DEFERRED OUTFLOWS OF RESOURCES

Resources to be recognized in future pension
expense

8,383

TOTAL ASSETS AND DEFERRED OUTFLOWS
OF RESOURCES

15,646,180

LIABILITIES

Current Liabilities

Accounts payable	69,922
Accrued liabilities	36,933
Liabilities payable from restricted assets	37,960
Total current liabilities	<u>144,815</u>

Noncurrent Liabilities

Net pension liability

55,944

TOTAL LIABILITIES

200,759

CITY OF CLINTON, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020

DEFERRED INFLOWS OF RESOURCES

Resources to be recognized in future pension
expense

29,150

TOTAL LIABILITIES AND DEFERRED INFLOWS
OF RESOURCES

229,909

NET POSITION

Net investment in capital assets
Unrestricted

9,093,437

6,322,834

TOTAL NET POSITION

15,416,271

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, 2020

OPERATING REVENUES	
Sewer charges	1,270,240
Sewer taps	2,125
Miscellaneous	<u>28,476</u>
Total operating revenues	<u>1,300,841</u>
OPERATING EXPENSES	
Personnel services	336,672
Contractual services	753,381
Commodities and other	151,366
Depreciation	<u>477,059</u>
Total operating expenses	<u>1,718,478</u>
OPERATING LOSS	<u>(417,637)</u>
NONOPERATING REVENUE	
Interest and investment income	114,200
Intergovernmental grants	<u>25,344</u>
Total nonoperating revenue	<u>139,544</u>
CHANGE IN NET POSITION	(278,093)
NET POSITION, beginning of year	<u>15,694,364</u>
NET POSITION, end of year	<u><u>15,416,271</u></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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	1,266,059
Cash received from other sources	30,601
Cash payments to suppliers	(866,484)
Cash payments to employees	<u>(337,979)</u>
Net cash provided by operating activities	<u>92,197</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from grant receipts	<u>25,344</u>
Net cash provided by noncapital financing activities	<u>25,344</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	<u>(142,233)</u>
Net cash used in capital and related financing activities	<u>(142,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>114,200</u>
Net cash provided by investing activities	<u>114,200</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	89,508
CASH AND CASH EQUIVALENTS, beginning of year	<u>6,286,845</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>6,376,353</u></u>
ALLOCATION OF CASH AND CASH EQUIVALENTS	
Unrestricted - current	6,338,393
Restricted - current	<u>37,960</u>
	<u><u>6,376,353</u></u>

CITY OF CLINTON, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020

Reconciliation of Operating Loss to Net
Cash Provided By Operating Activities

Operating loss	<u>(417,637)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	477,059
(Increase) decrease in the following assets:	
Accounts receivable	(4,181)
Prepaid items	583
Increase (decrease) in the following liabilities:	
Accounts payable	41,364
Accrued expenses	4,979
Net pension liability and related deferred outflows and inflows of resources	3,672
Restricted liabilities	<u>(13,642)</u>
Total adjustments	<u>509,834</u>
Net cash provided by operating activities	<u>92,197</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.

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.

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.

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)

General Fund (Continued)

Included in the General Fund is activity that occurred in the Second Street/Calvird Drive Maintenance Fund and Energy Improvements Fund. The function of the Second Street/Calvird Drive Maintenance Fund is to account for expenditures related to the property and infrastructure of the sections of Second Street and Calvird Drive which were relinquished by the Missouri Department of Transportation to the City of Clinton. The function of the Energy Improvements Fund is to account for debt service expenses which are supported by transfers from other funds.

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.

Major Special Revenue Funds

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.

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.

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)

Major Special Revenue Funds (Continued)

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.

Nonmajor Special Revenue Funds

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.

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.

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.

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 (Continued)

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.

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.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020, 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.

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.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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, 2020, is \$168,348. Business-type activity funds reported accrued vacation benefits for the year ended September 30, 2020, of \$- 0 -.

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.

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, 2020, the carrying amount of the City's pooled cash and investments (including money market accounts and certificates of deposit) was \$14,211,259.

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, 2020, 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, 2020, is \$148,215 and is presented net of a \$300 allowance for doubtful accounts.

NOTE 4. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments at September 30, 2020, consisted of the following:

Account	General Fund	Fire Protection Fund	Parks and Recreation Fund	Street Improvement Fund	Enterprise Fund
Held for other entities	698,488				
Restricted for capital outlay		46,814	1,000	1,290,573	
Restricted for customers deposits					37,960
	<u>698,488</u>	<u>46,814</u>	<u>1,000</u>	<u>1,290,573</u>	<u>37,960</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Construction in progress	1,804,793	1,568,595		3,373,388
Land	<u>2,428,708</u>			<u>2,428,708</u>
Total capital assets, not being depreciated	<u>4,233,501</u>	<u>1,568,595</u>		<u>5,802,096</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
<u>Governmental Activities (Continued)</u>				
Capital assets, being depreciated				
Buildings and improvements	17,013,701			17,013,701
Infrastructure	10,782,422			10,782,422
Machinery and equipment	4,867,154	316,986	(212,691)	4,971,449
Total capital assets, being depreciated	32,663,277	316,986	(212,691)	32,767,572
Less accumulated depreciation for:				
Buildings and improvements	(7,273,344)	(518,101)		(7,791,445)
Infrastructure	(1,660,179)	(287,715)		(1,947,894)
Machinery and equipment	(3,279,122)	(246,964)	212,691	(3,313,395)
Total accumulated depreciation	(12,212,645)	(1,052,780)	212,691	(13,052,734)
Total capital assets being depreciated, net	20,450,632	(735,794)		19,714,838
Governmental activities capital assets, net	24,684,133	832,801		25,516,934
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Construction in progress	66,632	67,806		134,438
Land	124,415			124,415
Total capital assets, not being depreciated	191,047	67,806		258,853
Capital assets, being depreciated				
Buildings and improvements	5,612,194			5,612,194
Infrastructure	13,527,526	64,426		13,591,952
Machinery and equipment	1,997,713	5,417		2,003,130
Total capital assets, being depreciated	21,137,433	69,843		21,207,276
Less accumulated depreciation for:				
Buildings and improvements	(4,398,384)	(104,191)		(4,502,575)
Infrastructure	(6,002,775)	(271,057)		(6,273,832)
Machinery and equipment	(1,494,474)	(101,811)		(1,596,285)
Total accumulated depreciation	(11,895,633)	(477,059)		(12,372,692)
Total capital assets, being depreciated, net	9,241,800	(407,216)		8,834,584
Business-type activities capital assets, net	9,432,847	(339,410)		9,093,437

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

The following table summarizes the depreciation by function for the year ended September 30, 2020:

	Governmental Funds	Proprietary Fund
General Government	107,313	
Public Safety	175,521	
Airport	184,387	
Streets	145,203	
Park and Recreation	406,044	
Cemetery operations	5,788	
Sanitation	4,580	
Transportation services	13,439	
Industrial Park	10,505	
Water and Sewer		477,059
	<u>1,052,780</u>	<u>477,059</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 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 806 local participating employers. These participating employers include 314 cities, 60 counties, and 432 other public entities during the plan year ended June 30, 2020.

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, 2020, the net pension asset is based on an actuarial valuation performed as of February 29, 2020, and a measurement date of June 30, 2020.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

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 66 active employees, 26 inactive employees entitled to, but not yet receiving benefits, and 57 retirees (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 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 noncontributory plan which would result in no employee contributions.

Actuarial Assumptions

The pension liability for the June 30, 2020, 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 18 years

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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 postretirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for postretirement mortality, were the RP-2014 disabled mortality table for males and females. The preretirement mortality tables used were the RP-2014 employees mortality table for males and females.</p> <p>Both the postretirement and preretirement 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.</p> <p>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

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 2.45% (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.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Discount Rate (Continued)

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.

The assumed asset allocation is as follows:

Equities	35.0%
Fixed Income	31.0%
Real Assets/Return	36.0%
Strategic	8.0%
Alpha**	15.0%
Cash*	10.0%
Leverage*	(35.0%)

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

Assumed Asset Allocation (Continued)

* LAGERS targets 30% of the leveraged portfolio to be held in cash.

** Alpha Portfolio allocation is based on a volatility adjusted exposure targeting 8% overall.

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 the measurement date of June 30, 2020, 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	1,377,583	559,091	(119,300)
Police Division	937,502	181,572	(430,195)
Fire Division	936,032	423,632	1,122
Total	<u>3,251,117</u>	<u>1,164,295</u>	<u>(548,373)</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	198,098
Changes in assumptions	68,103
Net difference between projected and actual earnings on pension plan investments	329,658
Employer contributions subsequent to the measurement date - June 30, 2020	<u>72,305</u>

Deferred Inflows of Resources

Differences between expected and actual experience	<u>(175,961)</u>
Net deferred outflows (inflows) of resources	<u>492,203</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (Continued)

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
2021	32,219
2022	79,115
2023	189,468
2024	184,430
2025	6,836
Thereafter	135
	<u>492,203</u>

Changes in Net Pension Liability

Total Pension Liability	
Service cost	313,914
Interest on total pension liability	959,065
Difference between expected and actual experience of the total pension liability	68,228
Benefit payments, including refunds of employee contributions	(786,329)
Net change in total pension liability	554,878
Total pension liability - beginning	13,460,563
Total pension liability - ending	<u>14,015,441</u>

Plan Fiduciary Net Position	
Contributions - employer	314,522
Contributions - employee	113,837
Net investment income	171,683
Benefit payments, including refunds of employee contributions	(786,329)
Pension plan administrative expense	(18,955)
Other	29,048
Net change in fiduciary net position	(176,194)
Plan fiduciary net position - beginning	13,027,340
Plan fiduciary net position - ending	<u>12,851,146</u>

Net Pension Liability	<u>1,164,295</u>
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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, 2020. 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, 2020.

MRSWCIT's financial statements are presented in its Comprehensive Annual Financial Report for the year ended September 30, 2020.

NOTE 8. 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.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 8. CONTINGENCIES (Continued)

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 9. 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	26,239
Annual general operating revenues	4,284,156
Fines and costs for traffic violations as a percentage of annual general operating revenue	0.6%

NOTE 10. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets at September 30, 2020, consisted of the following:

	General Fund	Enterprise Fund
Clinton Housing Authority	10,764	
Restitution	4,717	
D.A.R.E	1,412	
Judicial education	934	
LET fees	8,397	
DEA	4,739	
DHS	108	
100-year capsule	393	
Fire damage	47,095	
Appointed counsel	595	
Police Department donations	2,960	
Missouri Department of Economic Development	613,874	
Customer meter deposits		37,960
Total	<u>695,988</u>	<u>37,960</u>

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended September 30, 2020, consisted of the following:

	Balance October 1, 2019	Addi- tions	Retire- ments	Balance September 30, 2020	Due in One Year
From direct borrowings					
Capital lease obligations	6,921,997	540,000	389,929	7,072,068	450,239
Loans	500,000		25,733	474,267	27,719
Compensated absences	162,338	168,348	162,338	168,348	168,348
Total governmental debt	<u>7,584,335</u>	<u>708,348</u>	<u>578,000</u>	<u>7,714,683</u>	<u>646,306</u>

At September 30, 2020, 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	74,956
Fire Protection	35,941
Street	17,052
Parks	31,881
Other nonmajor	8,518
	<u>168,348</u>

Direct Borrowing Arrangements

Capital Lease Obligations

On September 1, 2020, the City entered into an agreement with Hawthorn Bank for the purchase of a pumper 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. The cumulative amount of assets acquired under the capital lease described above amounted to \$540,000.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Direct Borrowing Arrangements (Continued)

Capital Lease Obligations (Continued)

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 May 15, 2018, the City entered into a capital lease agreement with U.S. Bancorp 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. Under the terms of this lease, payments are due in May through year 2027.

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.

The terms of these direct borrowing arrangements include provisions that if the City fails to pay any lease payment under the property schedule at the specified time, the lessor may declare all lease payments and other amounts payable by the City to be due and such amounts shall bear interest at applicable stated rates or the maximum rate permitted by applicable law, whichever is less. The leases are secured by the property purchased using the funds.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Direct Borrowing Arrangements (Continued)

Capital Lease Obligations (Continued)

Payments to maturity on the capital leases from direct borrowings include the following:

Years Ending September 30,	
2021	671,631
2022	675,313
2023	668,742
2024	672,086
2025	670,093
2026 - 2030	3,048,304
2031 - 2035	1,681,732
2036 - 2038	819,851
	<u>8,907,752</u>
Less amount representing interest	<u>1,835,680</u>
Present value of future minimum lease payments	<u>7,072,068</u>

Loans

On April 2, 2019, the City entered into a lending agreement with the Missouri Transportation Finance Corporation (MTFC) to fund street improvements. The City borrowed a total of \$500,000 at an interest rate of 3.00%. The debt requires semi-annual interest and principal payments starting October 2019 through April 2034.

Per the loan terms, the City will be in default of the direct borrowing agreement if they fail to make a payment when due; if construction isn't completed within the time scheduled, if there is a default in the due observance or performance of any other covenant/agreement in the contract and/or if the City admits in writing its inability to pay its debts or files a petition in bankruptcy. Remedies on default include an accelerated payment due date whereby written notice, the MTFC can declare the entire loan balance including principal and interest amounts outstanding as of the date of the notice to be immediately due and payable within 30 days from the date of declaration. This default can be cured if the City cures the event of default prior to the accelerated due date. In that case, the payment schedule will be adjusted accordingly to reflect a new payment date, and amount of future payments and remaining balances.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Direct Borrowing Arrangements (Continued)

Loans (Continued)

The security for the loan is a security interest in applicable federal or state funds due the City that pass through or are administered by the Commission or the Missouri Department of Transportation.

Payments to maturity on the loans from direct borrowings include the following:

Years Ending September 30,	Principal	Interest	Total
2021	27,719	14,024	41,743
2022	28,557	13,186	41,743
2023	29,420	12,323	41,743
2024	30,279	11,464	41,743
2025	31,224	10,519	41,743
2026 - 2030	170,841	37,876	208,717
2031 - 2034	<u>156,227</u>	<u>10,746</u>	<u>166,973</u>
	<u>474,267</u>	<u>110,138</u>	<u>584,405</u>

Business-Type Activities

Changes in the debt for the year ended September 30, 2020, consisted of the following:

	Balance October 1, 2019	Addi- tions	Retire- ments	Balance September 30, 2020	Due in One Year
Compensated absences	<u>21,678</u>	<u> </u>	<u>21,678</u>	<u> </u>	<u> </u>

At September 30, 2020, 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, 2020, of \$- 0 -.

As of September 30, 2020, the City had no outstanding lines of credit.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 12. PROPERTY TAXES

The assessed valuation of the tangible property for the purpose of local taxation for the calendar year 2019, was as follows:

Real estate	107,746,091
Personal property	<u>28,324,007</u>
Total	<u><u>136,070,098</u></u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2019 was as follows:

General Fund	0.5333
Parks and Recreation Fund	<u>0.1493</u>
Total	<u><u>0.6826</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 13. INTERFUND TRANSACTIONS

Transfers during the year ended September 30, 2020, were as follows:

	Transfers in:				
	Parks and Recreation	Fire Protection	General	Nonmajor Governmental	Total
Transfers out:					
General	3,500	834,824		157,678	996,002
Street			1,760		1,760
Parks and Recreation			137,284		137,284
Nonmajor Governmental	<u>3,500</u>		<u>1,760</u>		<u>5,260</u>
Total	<u><u>7,000</u></u>	<u><u>834,824</u></u>	<u><u>140,804</u></u>	<u><u>157,678</u></u>	<u><u>1,140,306</u></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.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 14. AIRPORT CONTRACT (Continued)

Semi-annual 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.

As of September 30, 2020, a schedule of future minimum operating subsidy payments required under the above is as follows:

Years Ending September 30,	
2021	105,000
2022	105,000
2023	105,000
2024	105,000
2025	105,000
2026 - 2030	525,000
2031 - 2035	525,000
2036 - 2040	525,000
2041 - 2045	525,000
2046 - 2050	525,000
	<u>3,150,000</u>

NOTE 15. SEWER CONTRACT

On September 15, 2020, the City entered into an agreement with Alliance Water Resources, Inc., whereby the City pays an operating subsidy of \$647,064 the first year with 2% increases each year thereafter for the term of the contract which begins October 1, 2020 through September 30, 2025. The operating subsidy may be modified if agreed between both parties. Alliance Water Resources, Inc., will perform management, operation, and maintenance services for the City's wastewater collection, treatment, and compost facilities.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 15. SEWER CONTRACT (Continued)

As of September 30, 2020, a schedule of future minimum operating subsidy payments required under the above is as follows:

Year Ending September 30,	
2021	647,064
2022	660,005
2023	673,205
2024	686,669
2025	700,403
	<u>3,367,347</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.

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

As of September 30, 2020, the City has an outstanding construction commitment related to the ongoing street improvements. The City has entered into an agreement with the Missouri Department of Transportation (MoDot) to share in the cost of the project at 50% each. The total project is expected to be approximately \$3,500,000. The City has been awarded a Federal Community Development Block Grant for \$750,000 to be applied to the City's share. In addition, the City is credited for services provided to the project. At year end, the City's remaining commitment for this project totaled approximately \$730,000.

CITY OF CLINTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 18. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue during the year ended September 30, 2020, consisted of:

	General Fund	Special Revenue Funds	Proprietary Fund
Federal Emergency Management Agency		6,492	24,027
State Departments and Agencies			
Missouri Department of Transportation	17,910	59,079	
Missouri Department of Economic Development		80,538	
Henry County Federal Cares Act Funding	429,304	62,418	1,317
Clinton Rural Fire Association		8,613	
Total	<u>447,214</u>	<u>217,140</u>	<u>25,344</u>

NOTE 19. SUBSEQUENT EVENTS

The COVID-19 (Coronavirus) outbreak has prompted global concern. Consequently, the City may experience a loss in revenue sources due to the economic impacts of the virus or may experience an increase in expenses to provide services. An estimate of the effect of the COVID-19 pandemic cannot be made at this time.

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 18, 2020, 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, 2020

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services				
Property	713,476	713,476	734,095	20,619
Sales	1,900,000	1,900,000	2,040,047	140,047
Franchise	1,039,000	1,039,000	964,231	(74,769)
Other	157,050	157,050	142,841	(14,209)
Charges for services	195,300	195,300	251,667	56,367
Fines and forfeitures	72,500	72,500	72,406	(94)
Intergovernmental	163,105	163,105	1,244,821	1,081,716
Interest	82,800	82,800	46,836	(35,964)
Miscellaneous	16,648	16,648	18,059	1,411
Total revenues	<u>4,339,879</u>	<u>4,339,879</u>	<u>5,515,003</u>	<u>1,175,124</u>
EXPENDITURES				
Current				
General Government	588,284	588,284	542,567	45,717
Public Safety	2,017,158	2,017,158	2,033,243	(16,085)
Economic Development	310,833	310,833	239,763	71,070
Airport	278,016	278,016	153,825	124,191
Sanitation	158,618	158,618	174,222	(15,604)
Capital outlay	57,000	841,067	706,394	134,673
Debt service				
Principal	131,274	131,274	131,274	
Interest and fiscal fees	44,731	44,731	44,730	1
Total expenditures	<u>3,585,914</u>	<u>4,369,981</u>	<u>4,026,018</u>	<u>343,963</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>753,965</u>	<u>(30,102)</u>	<u>1,488,985</u>	<u>1,519,087</u>

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Debt issuance			540,000	540,000
Transfers in	176,005	176,005	140,804	(35,201)
Transfers out	<u>(1,051,246)</u>	<u>(1,051,246)</u>	<u>(996,002)</u>	<u>55,244</u>
Total other financing sources (uses)	<u>(875,241)</u>	<u>(875,241)</u>	<u>(315,198)</u>	<u>560,043</u>
NET CHANGE IN FUND BALANCE	<u>(121,276)</u>	<u>(905,343)</u>	1,173,787	<u>2,079,130</u>
BUDGETARY FUND BALANCE, beginning of year			<u>3,113,184</u>	
BUDGETARY FUND BALANCE, end of year			4,286,971	
Accrual adjustments			<u>(135,038)</u>	
FUND BALANCE, end of year			<u>4,151,933</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, 2020

	Street Fund				Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Taxes								
Sales	794,326	794,326	841,314	46,988	444,000	444,000	486,573	42,573
Licenses, fees, and permits	500	500	829	329				
Interest	12,000	12,000	8,741	(3,259)	6,000	6,000	6,230	230
Intergovernmental	742,323	742,323	65,893	(676,430)				
Miscellaneous			2,805	2,805				
Total revenues	<u>1,549,149</u>	<u>1,549,149</u>	<u>919,582</u>	<u>(629,567)</u>	<u>450,000</u>	<u>450,000</u>	<u>492,803</u>	<u>42,803</u>
EXPENDITURES								
Current								
Streets	740,782	740,782	728,540	12,242				
Capital outlay	741,000	741,000	66,870	674,130	100,000	100,000	1,234,754	(1,134,754)
Debt service - principal	25,733	25,733	25,733		180,000	180,000	180,000	
Debt service - interest and fees	16,010	16,010	16,010		149,965	149,965	149,965	
Total expenditures	<u>1,523,525</u>	<u>1,523,525</u>	<u>821,143</u>	<u>702,382</u>	<u>429,965</u>	<u>429,965</u>	<u>1,564,719</u>	<u>(1,134,754)</u>
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	25,624	25,624	98,439	72,815	20,035	20,035	(1,071,916)	(1,091,951)
Transfers out			(1,760)	(1,760)				
NET CHANGE IN FUND BALANCE	<u>25,624</u>	<u>25,624</u>	<u>96,679</u>	<u>71,055</u>	<u>20,035</u>	<u>20,035</u>	<u>(1,071,916)</u>	<u>(1,091,951)</u>
BUDGETARY FUND BALANCE, beginning of year			655,929				2,873,117	
BUDGETARY FUND BALANCE, end of year			752,608				1,801,201	
Accrual adjustments			121,049				72,415	
FUND BALANCE, end of year			<u>873,657</u>				<u>1,873,616</u>	

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	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	198,827	198,827	205,601	6,774				
Sales	906,000	906,000	1,035,651	129,651	444,000	444,000	486,573	42,573
Charges for services	249,070	249,070	171,537	(77,533)				
Interest	2,500	2,500	4,102	1,602				
Intergovernmental			32,930	32,930	35,760	35,760	13,447	(22,313)
Miscellaneous	17,800	17,800	13,411	(4,389)	5,000	5,000	4,748	(252)
Total revenues	<u>1,374,197</u>	<u>1,374,197</u>	<u>1,463,232</u>	<u>89,035</u>	<u>484,760</u>	<u>484,760</u>	<u>504,768</u>	<u>20,008</u>
EXPENDITURES								
Current								
Public safety					1,150,680	1,150,680	1,093,512	57,168
Parks and Recreation	1,183,184	1,183,184	1,153,985	29,199				
Debt service - principal					126,570	126,570	78,655	47,915
Debt service - interest and fees					44,406	44,406	24,631	19,775
Capital outlay	35,500	88,000	32,133	55,867	67,500	67,500	104,055	36,555
Total expenditures	<u>1,218,684</u>	<u>1,271,184</u>	<u>1,186,118</u>	<u>85,066</u>	<u>1,389,156</u>	<u>1,389,156</u>	<u>1,300,853</u>	<u>88,303</u>
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	<u>155,513</u>	<u>103,013</u>	<u>277,114</u>	<u>174,101</u>	<u>(904,396)</u>	<u>(904,396)</u>	<u>(796,085)</u>	<u>108,311</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	7,000	7,000	7,000		834,824	834,824	834,824	
Transfers out	(137,284)	(137,284)	(137,284)					
Total other financing sources (uses)	<u>(130,284)</u>	<u>(130,284)</u>	<u>(130,284)</u>		<u>834,824</u>	<u>834,824</u>	<u>841,824</u>	<u>7,000</u>
NET CHANGE IN FUND BALANCE	<u>25,229</u>	<u>(27,271)</u>	<u>146,830</u>	<u>174,101</u>	<u>(69,572)</u>	<u>(69,572)</u>	<u>45,739</u>	<u>115,311</u>
BUDGETARY FUND BALANCE, beginning of year			<u>255,521</u>				<u>1,075</u>	
BUDGETARY FUND BALANCE, end of year			402,351				46,814	
Accrual adjustments			<u>127,947</u>				<u>49,017</u>	
FUND BALANCE, end of year			<u>530,298</u>				<u>95,831</u>	

CITY OF CLINTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

		Total Major Special Revenue Funds			
		Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES					
	Taxes				
	Property	198,827	198,827	205,601	6,774
	Sales	2,588,326	2,588,326	2,850,111	261,785
	Charges for services	249,070	249,070	171,537	(77,533)
	Licenses, fees, and permits	500	500	829	329
	Interest	20,500	20,500	19,073	(1,427)
	Intergovernmental	778,083	778,083	112,270	(665,813)
	Miscellaneous	22,800	22,800	20,964	(1,836)
	Total revenues	<u>3,858,106</u>	<u>3,858,106</u>	<u>3,380,385</u>	<u>(477,721)</u>
EXPENDITURES					
	Current				
	Streets	740,782	740,782	728,540	12,242
	Parks and Recreation	1,183,184	1,183,184	1,153,985	29,199
	Public safety	1,150,680	1,150,680	1,093,512	57,168
	Capital outlay	219,010	271,510	1,437,812	(1,166,302)
	Debt service - principal	126,570	126,570	78,655	47,915
	Total expenditures	<u>3,293,656</u>	<u>3,346,156</u>	<u>4,492,504</u>	<u>(1,146,348)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>564,450</u>	<u>511,950</u>	<u>(1,112,119)</u>	<u>(1,624,069)</u>
OTHER FINANCING SOURCES (USES)					
	Sale of assets			7,000	7,000
	Transfers in	841,824	841,824	841,824	
	Transfers out	<u>(137,284)</u>	<u>(137,284)</u>	<u>(139,044)</u>	<u>(1,760)</u>
	Total other financing sources (uses)	<u>704,540</u>	<u>704,540</u>	<u>709,780</u>	<u>(1,760)</u>
NET CHANGE IN FUND BALANCE		<u>1,268,990</u>	<u>1,216,490</u>	<u>(402,339)</u>	<u>(1,618,829)</u>
BUDGETARY FUND BALANCE, beginning of year				<u>3,785,642</u>	
BUDGETARY FUND BALANCE, end of year				3,002,974	
Accrual adjustments				<u>370,428</u>	
FUND BALANCE, end of year				<u>3,373,402</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 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, 2020

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, 2007	14,318	14,318		2,386,325	0.60%
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%
September 30, 2019	332,494	332,494		2,921,894	11.38%
September 30, 2020	311,722	311,722		2,852,646	10.93%

CITY OF CLINTON, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
YEAR ENDED SEPTEMBER 30, 2020

	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020
Net pension liability (asset) - beginning	(413,708)	(190,670)	806,943	298,878	(415,970)	433,223
Service cost	252,041	250,626	253,067	252,826	259,024	313,914
Interest on total pension liability	722,054	732,826	789,757	813,349	853,781	959,065
Difference between expected and actual experience of the total pension liability	(419,308)	(142,907)	(252,265)	(6,085)	134,209	68,228
Changes in assumptions		424,588				
Contributions - employer	(237,599)	(246,860)	(254,976)	(258,065)	(318,753)	(314,522)
Net investment (income) loss	(201,224)	1,583	(1,185,494)	(1,339,152)	(839,683)	(171,683)
Pension plan administrative expense	11,743	11,104	10,956	11,354	16,420	18,955
Other	<u>95,331</u>	<u>(33,347)</u>	<u>130,890</u>	<u>(189,075)</u>	<u>(6,684)</u>	<u>(29,048)</u>
Net pension liability (asset) - ending	<u>(190,670)</u>	<u>806,943</u>	<u>298,878</u>	<u>(415,970)</u>	<u>433,223</u>	<u>1,164,295</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%	96.78%	91.69%
Covered payroll	2,762,206	2,740,874	2,658,434	2,728,602	2,806,323	2,796,752
Net pension liability (asset) as a percentage of covered payroll	-6.90%	29.44%	11.24%	-15.24%	15.44%	41.63%

OTHER SUPPLEMENTARY INFORMATION

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CITY OF CLINTON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Pass-Through Missouri Department of Transportation			
Formula Grants for Rural Areas	TM184040 CL1	20.509	24,181
COVID-19 - Formula Grants for Rural Areas	TM184041 CL1	20.509	94,720
Airport Improvement Program	16-022A-1 19-022A-1	20.106	17,679
Total U.S. Department of Transportation			<u>136,580</u>
<u>U.S. Department of Economic Development</u>			
Pass-Through Missouri Department of Economic Development			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	2017-ED-04	14.228	747,200
<u>U.S. Department of the Treasury</u>			
Pass-Through Henry County			
Coronavirus Relief Fund		21.509	468,463
<u>U.S. Department of Emergency Management Agency</u>			
Direct Program			
Disaster Relief		97.036	<u>30,519</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>1,382,762</u></u>

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

CITY OF CLINTON, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Clinton, Missouri. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is presented on the accrual basis of accounting.

NOTE 3. INDIRECT COST RATE

The City did not elect to use the de minimis cost rate.

NOTE 4. SUBRECIPIENTS

The City of Clinton, Missouri, provided no federal awards to subrecipients.

CITY OF CLINTON, MISSOURI
GENERAL FUND COMPONENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Energy Improvements Fund	Second Street/ Calvird Drive Maintenance Fund	Eliminations	Total
REVENUES					
Charges for services					
Property	734,508				734,508
Sales	2,061,647				2,061,647
Franchise	956,931				956,931
Other	142,102				142,102
Charges for services	251,667				251,667
Fines and forfeitures	72,406				72,406
Intergovernmental	447,214				447,214
Interest	36,926	6	9,904		46,836
Miscellaneous	18,059				18,059
Total revenues	<u>4,721,460</u>	<u>6</u>	<u>9,904</u>		<u>4,731,370</u>
EXPENDITURES					
Current					
General Government	535,273				535,273
Public Safety	2,033,243				2,033,243
Economic Development	239,763				239,763
Airport	153,825				153,825
Sanitation	174,222				174,222
Capital outlay	706,394				706,394
Debt service					
Principal		131,274			131,274
Interest and fiscal fees		44,730			44,730
Total expenditures	<u>3,842,720</u>	<u>176,004</u>			<u>4,018,724</u>

CITY OF CLINTON, MISSOURI
GENERAL FUND COMPONENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Energy Improvements Fund	Second Street/ Calvird Drive Maintenance Fund	Eliminations	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>878,740</u>	<u>(175,998)</u>	<u>9,904</u>	<u> </u>	<u>712,646</u>
OTHER FINANCING SOURCES (USES)					
Capital lease issuance	540,000				540,000
Transfers in		176,005		(35,201)	140,804
Transfers out	<u>(1,031,203)</u>	<u> </u>	<u> </u>	<u>35,201</u>	<u>(996,002)</u>
72 Total other financing sources (uses)	<u>(491,203)</u>	<u>176,005</u>	<u> </u>	<u> </u>	<u>(315,198)</u>
NET CHANGE IN FUND BALANCE	387,537	7	9,904		397,448
FUND BALANCE					
beginning of year	<u>3,002,597</u>	<u>3</u>	<u>751,885</u>	<u> </u>	<u>3,754,485</u>
FUND BALANCE, end of year	<u>3,390,134</u>	<u>10</u>	<u>761,789</u>	<u> </u>	<u>4,151,933</u>

See accompanying notes to budgetary comparison schedules.

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Cemetery Fund	Area Transportation Service Fund	Total
ASSETS			
ASSETS			
Pooled cash and investments	54,403	12,270	66,673
Other receivables		38,542	38,542
Prepaid items	<u>5,461</u>	<u>4,064</u>	<u>9,525</u>
TOTAL ASSETS	<u>59,864</u>	<u>54,876</u>	<u>114,740</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	1,278	4,079	5,357
Accrued expenditures	<u>7,055</u>	<u>5,691</u>	<u>12,746</u>
Total liabilities	<u>8,333</u>	<u>9,770</u>	<u>18,103</u>
FUND BALANCES			
Nonspendable	5,461	4,064	9,525
Assigned	<u>46,070</u>	<u>41,042</u>	<u>87,112</u>
Total fund balances	<u>51,531</u>	<u>45,106</u>	<u>96,637</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>59,864</u>	<u>54,876</u>	<u>114,740</u>

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2020

	Cemetery Fund	Area Transportation Service Fund	Total
REVENUES			
Sales taxes			
Charges for services	59,899	7,573	67,472
Intergovernmental	213	104,657	104,870
Interest		54	54
Miscellaneous	3,315	1,025	4,340
Total revenues	<u>63,427</u>	<u>113,309</u>	<u>176,736</u>
EXPENDITURES			
Current			
Cemetery operations	163,528		163,528
Transportation		158,836	158,836
Total expenditures	<u>163,528</u>	<u>158,836</u>	<u>322,364</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(100,101)</u>	<u>(45,527)</u>	<u>(145,628)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	107,678	50,000	157,678
Transfers out	(4,380)	(880)	(5,260)
Total other financing sources (uses)	<u>103,298</u>	<u>49,120</u>	<u>152,418</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	3,197	3,593	6,790
FUND BALANCE, beginning of year	<u>48,334</u>	<u>41,513</u>	<u>89,847</u>
FUND BALANCE, end of year	<u>51,531</u>	<u>45,106</u>	<u>96,637</u>

CITY OF CLINTON, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020

	Cemetery Fund				Area Transportation Service 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												
Charges for services	61,500	61,500	59,899	(1,601)	20,000	20,000	7,573	(12,427)	81,500	81,500	67,472	(14,028)
Intergovernmental			213	213	69,163	69,163	70,781	1,618	69,163	69,163	70,994	1,831
Interest							54	54			54	54
Other			3,315	3,315			1,025	1,025			4,340	4,340
Total revenues	<u>61,500</u>	<u>61,500</u>	<u>63,427</u>	<u>1,927</u>	<u>89,163</u>	<u>89,163</u>	<u>79,433</u>	<u>(9,730)</u>	<u>150,663</u>	<u>150,663</u>	<u>142,860</u>	<u>(7,803)</u>
EXPENDITURES												
Current												
Cemetery operations	161,798	164,632	159,714	4,918					161,798	164,632	159,714	4,918
Transportation services					158,326	167,251	154,205	13,046	158,326	167,251	154,205	13,046
Capital outlay	3,000	3,000		3,000					3,000	3,000		3,000
Total expenditures	<u>164,798</u>	<u>167,632</u>	<u>159,714</u>	<u>7,918</u>	<u>158,326</u>	<u>167,251</u>	<u>154,205</u>	<u>13,046</u>	<u>323,124</u>	<u>334,883</u>	<u>313,919</u>	<u>20,964</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(103,298)</u>	<u>(106,132)</u>	<u>(96,287)</u>	<u>(5,991)</u>	<u>(69,163)</u>	<u>(78,088)</u>	<u>(74,772)</u>	<u>(22,776)</u>	<u>(172,461)</u>	<u>(184,220)</u>	<u>(171,059)</u>	<u>(28,767)</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	107,678	107,678	107,678		70,043	70,043	50,000	20,043	177,721	177,721	157,678	20,043
Transfers out	(4,380)	(4,380)	(4,380)		(880)	(880)	(880)		(5,260)	(5,260)	(5,260)	
Total other financing sources (uses)	<u>103,298</u>	<u>103,298</u>	<u>103,298</u>		<u>69,163</u>	<u>69,163</u>	<u>49,120</u>	<u>20,043</u>	<u>172,461</u>	<u>172,461</u>	<u>152,418</u>	<u>20,043</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		<u>(2,834)</u>	7,011	<u>(5,991)</u>		<u>(8,925)</u>	(25,652)	<u>(2,733)</u>		<u>(11,759)</u>	(18,641)	<u>(8,724)</u>
BUDGETARY FUND BALANCE, beginning of year			<u>47,392</u>				<u>37,922</u>				<u>85,314</u>	
BUDGETARY FUND BALANCE, end of year			54,403				12,270				66,673	
Accrual adjustments			<u>(2,872)</u>				<u>32,836</u>				<u>29,964</u>	
FUND BALANCE, end of year			<u>51,531</u>				<u>45,106</u>				<u>96,637</u>	

CITY OF CLINTON, MISSOURI
 PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	1,303,029	1,303,029	1,266,059	(36,970)
Sewer taps	2,300	2,300	2,125	(175)
Miscellaneous	16,000	16,000	28,476	12,476
Total revenues	<u>1,321,329</u>	<u>1,321,329</u>	<u>1,296,660</u>	<u>(24,669)</u>
EXPENSES				
Personnel services	346,349	346,349	337,979	8,370
Contractual services	864,130	864,130	715,118	149,012
Commodities and other	207,700	207,700	151,366	56,334
Capital outlay	466,970	466,970	142,233	324,737
Total expenses	<u>1,885,149</u>	<u>1,885,149</u>	<u>1,346,696</u>	<u>538,453</u>
NONOPERATING REVENUE				
Interest and investment income	100,000	100,000	114,200	14,200
Intergovernmental grants			25,344	25,344
Total nonoperating revenue	<u>100,000</u>	<u>100,000</u>	<u>139,544</u>	<u>39,544</u>
NET CHANGE IN BUDGETARY FUND BALANCE	<u>(463,820)</u>	<u>(463,820)</u>	89,508	<u>553,328</u>
BUDGETARY FUND BALANCE, beginning of year			<u>6,286,845</u>	
BUDGETARY FUND BALANCE, end of year			6,376,353	
Accrual adjustments			<u>9,039,918</u>	
NET POSITION, end of year			<u>15,416,271</u>	

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.	77 - 83
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.	84 - 89
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.	90 - 93
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.	94 - 96
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.	97 - 99

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 began in those years.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	12,518,505	15,642,101	18,630,582	18,722,320	19,155,296	19,434,211	19,677,735	19,179,803	17,262,136	17,970,599
Restricted	150,000	150,000	866					25,000		1,338,387
Unrestricted	3,258,196	3,433,202	2,983,814	3,133,479	3,506,150	3,552,321	2,984,916	4,463,776	6,987,360	5,519,856
Total governmental activities	<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>	<u>24,249,496</u>	<u>24,828,842</u>
Business-type activities										
Invested in capital assets, net of related debt	5,752,930	6,270,755	6,776,992	7,379,173	9,750,449	10,367,346	10,012,247	9,674,936	9,428,263	9,093,437
Restricted	875,725	879,545	887,712	886,332	592,432					
Unrestricted	6,259,369	6,546,554	6,904,615	7,186,285	6,030,215	6,357,457	6,459,257	6,423,785	6,266,101	6,322,834
Total business-type activities	<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>	<u>15,694,364</u>	<u>15,416,271</u>
Primary government										
Net investment in capital assets	18,271,435	21,912,856	25,407,574	26,101,493	28,905,745	29,801,557	29,689,982	28,854,739	26,690,399	27,064,036
Restricted	1,025,725	1,029,545	888,578	886,332	592,432			25,000		1,338,387
Unrestricted	9,517,565	9,979,756	9,888,429	10,319,764	9,536,365	9,909,778	9,444,173	10,887,561	13,253,461	11,842,690
Total primary government	<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>	<u>39,943,860</u>	<u>40,245,113</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities										
General Government	502,104	476,981	445,781	451,456	505,852	497,342	570,928	509,151	670,772	649,526
Public Safety	2,452,557	2,612,788	2,663,868	2,729,582	2,840,860	2,951,432	2,963,898	2,773,318	3,524,443	3,310,647
Economic Development	270,862	265,829	287,804	349,253	318,535	311,347	291,094	228,182	260,901	240,613
Airport	184,504	57,367	90,524	283,866	264,488	262,993	263,483	334,478	360,841	338,212
Sanitation	134,430	137,171	137,841	137,537	140,724	150,053	142,643	141,784	166,566	179,449
Streets	657,386	670,130	675,528	706,687	669,271	640,728	560,806	670,560	834,924	870,540
Parks and Recreation	1,391,184	1,326,807	1,481,707	1,408,773	1,449,619	1,411,061	1,244,456	1,482,424	1,626,148	1,576,766
Community Center	1,425	1,425	118	1,251	1,250	1,195	650			
Cemetery operations	164,793	140,270	161,960	145,446	147,030	141,357	164,905	151,465	177,503	171,561
Transportation services	158,598	168,295	158,522	155,206	155,270	146,324	157,956	149,951	160,955	173,955
Industrial Park	35,505	60,516	36,005	34,505	18,803	10,587	10,505	10,504	10,505	10,504
Pass-through for hospital							245,897	135,449		
Interest on long-term debt	147,277	126,032	84,514	17,685	3,108	73,177	104,001	51,630	353,641	235,336
Total governmental activities expenses	<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>	<u>8,147,199</u>	<u>7,757,109</u>
Business-type activities										
Sewer	<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>	<u>1,739,547</u>	<u>1,718,478</u>
Total primary government expenses	<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>	<u>9,886,746</u>	<u>9,475,587</u>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General Government	106,034	95,848	86,584	100,293	87,922	94,789	121,248	89,106	90,649	120,168
Public Safety	110,643	130,168	116,212	134,685	133,169	114,315	91,916	75,761	81,021	72,406
Sanitation	96,129	105,330	119,483	114,526	114,370	115,783	117,608	110,053	116,767	131,499
Streets	1,365	2,443	735	1,747	330	569	1,050	950	910	829
Parks and Recreation	227,143	213,138	221,117	242,926	223,731	206,839	213,680	226,093	249,700	171,237
Cemetery operations	101,180	124,475	80,460	74,100	110,635	66,825	70,229	56,009	67,348	59,899
Transportation services	27,388	23,255	21,606	28,107	20,980	19,178	18,642	15,542	13,656	7,573
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	76,497	664,354
Capital grants and contributions	<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>	<u>1,092,915</u>	
Total governmental activities program revenues	<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>	<u>1,789,463</u>	<u>1,227,965</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROGRAM REVENUES (Continued)										
Business-type activities										
Charges for services										
Sewer	811,992	1,070,165	1,265,908	1,253,163	1,239,243	1,187,524	1,166,003	1,167,009	1,159,092	1,272,365
Operating grants and contributions	902	19,550							7,460	25,344
Total business-type activities										
program revenues	<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>	<u>1,166,552</u>	<u>1,297,709</u>
Total primary government										
program revenues	<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>	<u>2,948,555</u>	<u>2,500,330</u>
NET EXPENSE										
Governmental activities	(4,918,683)	(2,318,254)	(3,213,513)	(5,591,406)	(5,492,270)	(5,363,897)	(5,670,904)	(5,781,931)	(6,357,736)	(6,529,144)
Business-type activities	(487,250)	(165,611)	(60,909)	(98,024)	(92,943)	(176,964)	(266,450)	(484,988)	(572,995)	(420,769)
Total primary government net expense	<u>(5,405,933)</u>	<u>(2,483,865)</u>	<u>(3,274,422)</u>	<u>(5,689,430)</u>	<u>(5,585,213)</u>	<u>(5,540,861)</u>	<u>(5,937,354)</u>	<u>(6,266,919)</u>	<u>(6,930,731)</u>	<u>(6,949,913)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental activities										
Taxes										
Property taxes	781,039	803,346	796,187	829,769	837,460	847,750	847,237	911,571	923,600	940,225
Franchise taxes	1,120,803	1,068,730	1,091,162	1,132,963	1,129,594	999,207	1,078,125	1,070,612	973,027	4,952,906
Sales taxes	3,441,265	3,508,951	3,523,889	3,622,103	3,674,572	3,601,120	3,159,814	4,516,922	4,674,139	956,931
Other taxes	135,713	145,385	148,109	140,558	140,276	153,618	146,440	148,888	161,520	142,102
Unrestricted investment earnings	7,685	5,845	5,729	5,181	7,724	14,872	23,911	70,110	107,267	65,963
Miscellaneous	46,717	84,599	38,496	101,369	77,379	72,416	46,457	79,756	99,100	50,363
Transfers							45,039	(10,000)		
Total governmental activities	<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>	<u>6,938,653</u>	<u>7,108,490</u>
Business-type activities										
Taxes										
Sales taxes	853,343	855,899	851,030	895,374	904,254	471,631	2,180	75		
Unrestricted investment earnings	152,394	116,467	99,974	82,325	66,634	55,766	51,029	99,804	165,182	114,200
Miscellaneous	240	2,075	(83)	2,796	1,873	1,274	4,981	2,326	3,456	28,476
Transfers							(45,039)	10,000		
Total business-type activities	<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>	<u>168,638</u>	<u>142,676</u>
Total primary government	<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>	<u>7,107,291</u>	<u>7,251,166</u>
CHANGE IN NET ASSETS/POSITION										
Governmental activities	614,539	3,298,602	2,390,059	240,537	374,735	325,086	(323,881)	1,005,928	580,917	579,346
Business-type activities	518,727	808,830	890,012	882,471	879,818	351,707	(253,299)	(372,783)	(404,357)	(278,093)
Total primary government	<u>1,133,266</u>	<u>4,107,432</u>	<u>3,280,071</u>	<u>1,123,008</u>	<u>1,254,553</u>	<u>676,793</u>	<u>(577,180)</u>	<u>633,145</u>	<u>176,560</u>	<u>301,253</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL FUND										
Nonspendable	33,209	34,999	42,868	58,021	69,133	73,948	70,110	37,038	113,201	115,140
Committed									751,885	761,789
Assigned						121,055				
Unassigned	<u>2,198,171</u>	<u>2,235,716</u>	<u>2,098,478</u>	<u>2,096,941</u>	<u>2,222,568</u>	<u>2,307,971</u>	<u>2,339,113</u>	<u>2,794,200</u>	<u>2,889,399</u>	<u>3,275,004</u>
Total General Fund	<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>	<u>3,754,485</u>	<u>4,151,933</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	113,754	98,092	28,284	38,280	45,612	48,788	46,198	60,793	66,080	65,644
Restricted	150,000	150,000	866				4,546,384	3,767,507	2,524,797	1,338,387
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	629,570	2,066,008
Unassigned (deficit)	<u>(1,932)</u>						<u>(98,928)</u>	<u>(27,590)</u>		
Total all other governmental funds	<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>	<u>3,220,447</u>	<u>3,470,039</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes										
Sales	3,441,265	3,508,951	3,523,889	3,622,103	3,674,572	3,601,120	3,159,814	4,516,922	4,674,139	4,952,906
General (1%)	1,712,306	1,712,421	1,712,421	1,712,421	1,712,421	1,712,421	1,712,421			
Transportation (0.25%)	402,987	405,058	405,058	405,058	405,058	405,058	405,058			
Use (2.25%)	187,189	245,428	245,428	245,428	245,428	245,428	245,428			
Aquatic (0.25%)	402,986	405,057	405,057	405,057	405,057	405,057	405,057			
Community Center (0.25%)	403,005	405,082	405,082	405,082	405,082	405,082	405,082			
Sewer (0.5%)	856,085	856,166	856,166	856,166	856,166	856,166	856,166			
Accrual adjustment	(523,293)	(520,261)	(520,261)	(520,261)	(520,261)	(520,261)	(520,261)			
Sales - Accrual	3,441,265	3,508,951	3,508,951	3,508,951	3,508,951	3,508,951	3,508,951			
Property	781,039	803,346	796,187	829,769	837,460	847,750	847,237	911,571	923,600	940,225
Franchise	1,120,803	1,068,730	1,091,162	1,132,963	1,129,594	999,207	1,078,125	1,070,612	973,027	956,931
Other	135,713	145,385	148,109	140,558	140,276	153,618	146,440	148,888	161,520	142,102
Fines and forfeitures	108,199	130,670	116,212	134,685	133,169	111,518	91,916	75,761	81,021	72,406
Charges for services	561,683	563,987	529,985	561,699	557,968	506,780	556,780	508,002	539,030	491,205
Intergovernmental	512,060	2,987,739	2,364,462	133,457	210,348	615,401	401,622	245,702	1,169,412	664,354
Interest	7,685	5,845	5,729	5,181	7,724	14,872	23,911	70,110	107,267	65,963
Other revenues	42,905	123,178	53,158	101,369	73,199	193,471	40,156	74,177	70,093	43,363
Total revenues	<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>	<u>8,699,109</u>	<u>8,329,455</u>
EXPENDITURES										
General Government	400,590	384,484	381,538	391,171	414,234	394,391	440,510	436,388	513,428	535,273
Public Safety	2,377,111	2,526,732	2,574,084	2,647,100	2,749,667	2,714,459	2,723,294	2,763,983	2,999,007	3,136,144
Economic Development	270,862	265,829	287,804	349,253	311,782	308,315	284,478	230,574	249,596	239,763
Airport	139,475	39,236	81,003	137,496	118,119	116,093	115,489	168,780	193,587	153,825
Sanitation	121,696	128,463	131,309	131,733	130,575	141,426	132,627	137,823	153,821	174,222
Streets	555,628	558,923	565,668	606,730	560,514	545,634	440,985	583,025	650,449	718,038
Community Center	1,425	1,425	118	1,251	1,250	1,195	650			
Parks and Recreation	1,070,162	1,012,142	1,129,380	1,107,064	1,119,924	998,584	1,019,512	1,095,769	1,145,105	1,165,092
Cemetery operations	160,406	128,766	147,122	135,961	133,914	129,245	145,434	145,440	151,917	163,528
Transportation services	134,136	145,009	136,923	136,965	134,158	127,152	136,183	145,867	144,967	158,836
Pass-through for hospital							245,897	135,449		
Industrial Park	25,000	50,011	25,500	24,000	8,298	83		221		
Capital outlay	610,260	3,254,085	2,919,696	96,806	227,357	837,560	909,877	2,043,396	2,868,716	1,885,581
Debt service										
Principal	560,326	616,908	671,448	718,270	719,060	275,214	191,469	226,332	422,836	415,662
Interest and fiscal fees	150,179	128,934	87,416	29,495	14,918	84,987	55,483	51,630	353,641	235,336
Total expenditures	<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>	<u>9,847,070</u>	<u>8,981,300</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<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>	<u>(1,147,961)</u>	<u>(651,845)</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of assets	4,368	4,943	3,100		4,180		6,301	33,079	29,007	7,000
Proceeds from capital leases		80,819	66,567				4,710,000	890,355		540,000
Proceeds from loans									500,000	
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	1,090,722	458,602	698,599	734,182	327,444	333,490	546,301	1,003,465	1,132,918	1,140,306
Transfers out	(1,090,722)	(458,602)	(698,599)	(734,182)	(327,444)	(333,490)	(501,262)	(1,013,465)	(1,132,918)	(1,140,306)
Total other financing sources (uses)	<u>4,368</u>	<u>85,762</u>	<u>(68,926)</u>		<u>4,180</u>		<u>4,701,015</u>	<u>913,434</u>	<u>529,007</u>	<u>547,000</u>
NET CHANGE IN FUND BALANCES	<u>138,464</u>	<u>182,646</u>	<u>(579,042)</u>	<u>148,489</u>	<u>124,720</u>	<u>369,399</u>	<u>4,205,128</u>	<u>370,502</u>	<u>(618,954)</u>	<u>(104,845)</u>
Debt service as a percentage of noncapital expenditures	11.9%	12.5%	12.2%	11.7%	11.4%	6.2%	4.2%	4.5%	11.1%	9.2%

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
83	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
	2019	105,883,255	27,021,556	132,904,811	4,470,636	3.48	0.68
	2020	103,974,200	29,348,684	133,322,884	418,073	3.16	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
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
2019	0.53	0.15	0.68	0.15	4.39	0.20	0.10	0.03	0.07	0.05	4.99	5.67
2020	0.53	0.15	0.68	0.16	4.40	0.20	0.10	0.03	0.05	0.05	4.98	5.66

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	2020			2011		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Appraised Value	Rank	Percentages of Total Appraised Valuation
TKG Truman Lake Mall, LLC	2,651,240	1	1.99	1,133,890	6	1.19
White River Marine Group, LLC (Tracker Marine)	1,662,110	2	1.25	1,109,167	7	0.99
Schreiber Foods	1,479,040	3	1.11	9,322,791	1	8.35
Champion Brands, LLC	1,169,280	4	0.88	621,778	10	0.56
T.C. Transcontinental Packaging	932,860	5	0.70			
Hawthorn Bank	900,450	6	0.68	1,722,240	4	1.54
CMHill Investments	833,480	7	0.63			
Westwood Nursing Center	719,970	8	0.54			
Farmers Elevator & Supply Co.	715,200	9	0.54			
Town Creek Plaza, LLC	616,890	10	0.46	1,047,098	8	0.94
Empire Gas District				934,659	9	0.84
Walmart				2,270,511	3	2.08
Kansas City Power & Light				2,326,777	2	2.03
Bourland, James and JoAnn				1,331,152	5	1.02
TOTALS	<u>11,680,520</u>		<u>8.79</u>	<u>21,820,063</u>		<u>19.54</u>

Data provided by Assessor, Henry County Courthouse.

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

	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
86	2011	789,967	743,942	94.2	46,025	789,967	100.00
	2012	797,699	740,506	92.8	57,193	797,699	100.00
	2013	820,984	745,682	90.8	75,302	820,984	100.00
	2014	827,125	760,604	92.0	66,521	827,125	100.00
	2015	798,508	769,377	96.4	29,131	798,508	100.00
	2016	856,857	801,602	93.6	55,255	856,857	100.00
	2017	842,191	797,325	94.7	44,866	842,191	100.00
	2018	898,797	871,371	96.9	27,426	898,797	100.00
	2019	933,107	876,697	94.0	56,410	933,107	100.00
	2020	930,818	893,379	96.0	12,872	906,251	97.36

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

Fiscal Year	City Rate	Henry County
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
2019	2.13	1.45
2020	2.13	1.70

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*
Auto dealers and supplies	4,101	4,083	4,164	3,609	3,908	4,393	2,679	2,690	4,395	2,171
Building materials and farm tools	9,477	10,211	8,302	7,511	8,290	9,489	389	698	2,715	2,790
Communications	5,949	5,476	5,087	5,304	5,200	4,410	4,139	4,139	3,170	1,030
Eating and drinking establishments	21,458	21,819	21,559	22,137	23,961	23,884	21,801	22,699	22,865	10,180
Food stores	16,047	15,973	14,950	16,328	16,935	17,195	13,500	20,124	5,642	2,601
Gasoline stations with convenience stores									9,588	6,119
General merchandise	56,307	57,943	59,889	60,686	63,505	63,722	14,709	14,391	5,466	1,944
Home furnishings and appliances	3,847	3,795	4,104	4,203	4,136	4,057	4,199	2,699	6,877	4,277
Sporting goods stores									3,161	2,607
Hardware stores									2,598	1,737
All other outlets	24,173	26,177	27,284	24,747	25,968	28,435	18,835	47,829	32,460	6,914
Nondisclosed sales **	29,831	29,753	32,636	33,393	31,714	31,996				
Total	<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>80,251</u>	<u>115,269</u>	<u>98,937</u>	<u>42,370</u>

* - 2020 Data is presented as of June 30, 2019, 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.

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	Loans	Sales Tax Revenue Bonds			
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
2019		6,921,997	500,000		7,421,997	2.08	830
2020		7,072,068	474,267		7,546,335	2.21	818

CITY OF CLINTON, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Clinton School District	20,093,523	75.00%	15,070,142
Subtotal, overlapping debt			
City of Clinton, Missouri, Direct Debt			<u>7,421,997</u>
Total direct and overlapping debt			<u>22,492,139</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, 2020
(UNAUDITED)

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Assessed valuation			136,070,098
Constitutional debt limit	13,607,010	13,607,010	27,214,020
Less general obligation bonds payable	13,607,010	13,607,010	27,214,020
Cash and securities available for retirement	13,607,010	13,607,010	27,214,020

- (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	
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
2019	- 0 -			N/A
2020	- 0 -			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
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%
2019	8,947	356,192,848	36,751	2,019	3.20%
2020	9,229	340,910,031	36,939	2,073	3.60%

Data Sources:

1. Bureau of Census for 2012 to 2014, 2018 to 2020; estimates for years 2011 and 2015 to 2017.
2. Fiscal Years Ended 2011 to 2014 - www.missourieconomy.org.
Fiscal Years Ended 2015 to 2017 - estimated.
Fiscal Years Ended 2018 to 2020 - Bureau of Census.
3. Clinton School District, Clinton Christian Academy, Holy Rosary Catholic School, and 7th Day Adventist School.
4. Missouri Career Center for 2011 to 2012 and Missouri Eco Research & Information Center Data for 2013 to 2020 - Rate is for Henry County.

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

Employer	2020			2011	
	Employees	Rank	Percent of Total	Employees	Rank
Golden Valley Memorial Hospital	920	1	19.62	650	2
Compass Health Network (Pathways)	293	2	6.25	150	6
White River Marine, LLC (Tracker Marine)	250	3	5.33	218	5
Wal-Mart	250	3	5.33	280	3
Clinton School District	234	5	4.99	222	4
Schreiber Foods	230	6	4.91	741	1
TC Transcontinental	193	7	4.12		
Champion Brands	99	8	2.11		
City of Clinton	69	9	1.47	72	8
KCP & L				145	7
Hawthorn Bank				69	9

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)
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
2019	7	2,179,000	3	655,000	746,951	502,654
2020	5	819,000	7	5,868,500	448,436	532,539

- (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									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
99	Business Licenses Issued	714	678	741	712	720	669	709	647	689	673
	Building Permits	116	143	138	166	130	144	162	183	10	184
	Burial Permits	112	107	95	86	130	92	77	79	83	73
	Area Transit Service										
	Passengers	27,676	26,582	24,089	23,715	23,015	18,861	17,550	15,300	14,987	11,880
	Fire Department										
	Emergency response	160	175	275	355	329	357	141	124	231	425
	Fires extinguished	60	39	74	141	108	79	70	85	63	98
	Inspections	150	248	78	201	143	78	206	229	114	30
	Police Department										
	Physical arrests	772	727	808	1,009	811	910	304	304	737	548
	Traffic stops	2,188	2,428	2,837	5,101	2,398	1,320	1,951	1,597	1,796	2,010
	Traffic citations	459	746	934	1,512	1,377	1,131	840	497	786	875
	Municipal Court										
	Cases filed	1,501	1,724	1,705	1,526	1,428	1,475	1,476	1,227	1,341	1,089
	Street Department										
	Resurface/sealing (miles)	6.3			6.0		1.2		2.0		5.0
	Transfer Station										
	Tons transported	1,630	1,587	1,490	1,619	1,650	1,475	1,597	1,240	1,420	1,365
	Wastewater										
	Sewage treated (mgls)	410.0	413.2	421.0	416.0	426.0	464.0	459.3	442.5	632.4	535.2
	Sewer connections	4,436	4,283	4,282	4,300	4,354	4,396	4,271	4,321	4,354	4,424
	Outdoor Pool Admissions	8,520	8,151	7,582	5,510	8,362	8,857	18,736	19,420	16,406	21,037
	Indoor Pool Admissions	14,448	13,816	9,422	8,055	12,655	13,526	17,305	16,941	18,666	11,471

Source: City Department Heads

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Area Transportation Service										
Vans, buses	5	5	4	3	4	4	4	4	4	4
Police										
Patrol units	8	11	11	11	11	11	11	11	10	17
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	105	105
Number of streets	180	180	180	180	180	180	180	180	180	180
Trucks with plows and spreaders	4	4	4	4	4	4	4	4	5	5
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	2	1	1	1	1	1	1	1	1	1
Containers	2	4	4	4	4	4	4	4	4	4
Wastewater										
* Sanitary sewer (miles)	73	73	73	75	78	79	79	79	79	79
Plant capacity (mgl)	2	2	2	2	2	5	5	5	5	5
Sludge trucks	2	2	2	2	2	2	2	2	1	1
Vac. trucks	1	1	1	1	1	1	1	1	1	1

Source: City Department Heads

2011 to 2020 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	5	5	5	5	5	5	5	5	5	5
Police										
Sworn	22	23	22	21	22	22	22	22	21	23
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	12	13	13	13	13	13	13	14	14	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	7	7	7	8	8
Parks and Recreation	10	10	10	10	10	10	10	10	10	11
Wastewater	7	7	6	6	6	6	6	6	6	- 0 -
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>73</u>	<u>72</u>	<u>74</u>	<u>72</u>	<u>71</u>	<u>72</u>	<u>71</u>	<u>72</u>	<u>72</u>	<u>69</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General (1%)	1,712,306	1,712,421	1,702,054	1,790,827	1,808,574	1,882,646	1,791,314	1,914,903	1,953,508	2,061,647
Transportation (0.25%)	402,987	405,058	404,053	420,939	428,728	449,869	428,256	457,336	464,945	492,333
Use (2.25%)	187,189	245,428	285,424	228,065	221,822	234,027	147,060	234,232	264,220	321,625
Park (0.25%)					423,693	442,558	427,799	457,786	464,796	491,972
Aquatic (0.25%)	402,986	405,057	404,053	420,938	5,135	3,651	519			
Community Center (0.25%)	403,005	405,082	404,059	421,070	428,717	224,794	1,070	37		
Sewer (0.5%)	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	232,391	245,965
Mass Transportation (0.25%)								435,876	464,783	491,931
Fire Protection (0.25%)								435,876	464,783	491,931
	<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>	<u>4,309,426</u>	<u>4,597,404</u>

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**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, 2020, and have issued our report thereon dated January 18, 2021.

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 questioned costs, that we consider to be a significant deficiency as item 2020-001.

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 questioned costs. 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 18, 2021



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

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Clinton, Missouri's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Clinton, Missouri's major federal programs for the year ended September 30, 2020. The City of Clinton, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Clinton, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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


Dana F. Cole + Company, LLP

Overland Park, Kansas
January 18, 2021

CITY OF CLINTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: ___ Yes X No

Significant deficiencies identified
that are not considered to be
material weaknesses: X Yes ___ No

Noncompliance matter to the financial
statements disclosed: ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified: ___ Yes X No

Significant deficiencies identified
that are not considered to be
material weakness: ___ Yes X No

Type of auditors' report issued on
compliance for major programs: Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR Section 200.516(a): ___ Yes X No

Identification of major programs:
Community Development Block Grant/
State's Program and Non-Entitlement
Grants in Hawaii 14.228

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: ___ Yes X No

CITY OF CLINTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

SECTION II. FINANCIAL STATEMENT FINDINGS

2020-001 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.

CITY OF CLINTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

SECTION II. FINANCIAL STATEMENT FINDINGS

2020-001 RELIANCE UPON THE AUDITOR

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's discussion and analysis.

SECTION III. FEDERAL AWARD FINDINGS

None reported.

CITY OF CLINTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020

2019-001 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 questioned costs as item 2020-001 for the year ended September 30, 2020.



CORRECTIVE ACTION PLAN
January 18, 2021

The City of Clinton, Missouri, respectfully submits the following corrective action plan for the year ended September 30, 2020, for the findings identified by Dana F. Cole & Company, LLP, Overland Park, Kansas.

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

FINANCIAL STATEMENT FINDINGS

2020-001 RELIANCE UPON THE AUDITOR

Recommendation: The City should 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.

Action Taken: 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, and other procedures determined necessary to complete the Management Discussion and Analysis.

If the Missouri Department of Economic Development has questions regarding this plan, please call Christy Maggi at 660.885.6121.

Sincerely yours,

Christy Maggi
City Administrator