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FINANCIAL STATEMENTS
CITY OF AMORY, MISSISSIPPI
Year Ended September 30, 2015

CITY OF AMORY, MISSISSIPPI

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P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



Partners
Gary Franks, CPA
Greg Jarrell, CPA
Bryon Wilemon, CPA
Jonathan Hagood, CPA
Rudolph Franks, CPA (emeritus)

INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen
City of Amory, Mississippi
Amory, Mississippi 38821

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amory, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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. 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 Amory, Mississippi, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As disclosed in Note 12 to the financial statements, in 2015, the City of Amory, Mississippi implemented new accounting standards prescribed by GASB Statement No. 68 for its pension plan, a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. Because GASB Statement No. 68 implements new measurement criteria and reporting provisions, significant information has been added to the Government-Wide Statements. Our opinion is not modified with respect to these matters.

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 5 through 13, the schedule of the City's proportionate share of the net pension liability on page 76, and the schedule of the City's contributions on page 77 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

The City of Amory – Electric Department's financial year ends on June 30, as required by regulatory bodies, and, therefore, all statements and information relating to the Electric Department in this report are for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Amory, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2016 on our consideration of the City of Amory, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Amory's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Franks, Franks, Jarrell & Wilemon, P.A." The signature is written in a cursive, flowing style.

Franks, Franks, Jarrell & Wilemon, P.A.
February 29, 2016

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information for the Year ended September 30, 2015

This section of the City of Amory's Financial Report presents our discussion and analysis of the City's financial performance during the fiscal year ending September 30, 2015. Please read it in conjunction with the City of Amory financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$29,657,281. Of this amount, \$0 may be used to meet the City of Amory ongoing obligations to citizens and creditors. This compares to the previous year when assets exceeded liabilities by \$38,702,625, of which \$6,173,838 was available to meet the City's ongoing obligations.
- As of the close of the current fiscal year, the City of Amory governmental funds reported combined ending fund balances of \$4,516,968, an increase of \$1,937,546 in comparison to the prior year. Approximately 44% of the combined fund balances, \$2,000,861 is considered unassigned and is available for spending at the City of Amory discretion.
- The City of Amory's total debt is \$2,768,681. New debt in the amount of \$1,650,000 was issued in the current fiscal year. Debt in the amount of \$222,877 was repaid during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City of Amory.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City of Amory's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City of Amory's operations in more detail than the government-wide statements.

The Governmental Funds statements tell how general government services such as public safety were financed in the short term as well as what remains for future spending. The City has four Governmental Fund types: the General, Special Revenue, Capital Project and Debt Service.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates in a similar manner as businesses, and include the Electric, Water & Sewer, and Solid Waste funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. In addition to these required elements, we included combining statements that provide details about non-major governmental funds, each of which are added together and presented in single columns in the financial statements.

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-1 summarizes the major features of the City of Amory's financial statements, including the portion of the City of Amory they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City of Amory's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City Government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks and recreation	Activities the City operates similar to private businesses: Electric Department, Water & Sewer, and Solid Waste.
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Net Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

The government-wide statements report information about the City of Amory as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City of Amory's net position and how they have changed. Net position—the difference between the City of Amory's assets and liabilities—is one way to measure the City of Amory's financial health, or position.

- Over time, increases or decreases in the city of Amory's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City of Amory, the reader should consider additional non-financial factors such as changes in the City of Amory's property tax base.
- *Governmental activities* –Most of the City of Amory's basic services are included here, such as the police, fire, public works, and parks and recreation departments, and general administration. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.
- *Business-type activities* – The City of Amory charges fees to customers to help it cover the costs of certain services it provides. The City of Amory's garbage pickup, water and sewer systems and electric department services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City of Amory's most significant funds—not the City as a whole. The "fund" level is where the basic unit of financial organization and operation within the City of Amory exists. Funds are accounting tools that are used to keep track of specific sources of funding and spending for particular purposes. They are the basic budgetary and accounting entities.

- Some funds are required by State law and by bond covenants.
- The Board of Alderman establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Amory has two types of funds:

- **Governmental funds**—most of the City of Amory's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Amory's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under "Summary of Significant Accounting Policies"). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The City of Amory utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.
- **Proprietary funds**—Services for which the City of Amory charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City has only one type of proprietary funds—enterprise funds. The City of Amory's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Amory's assets exceeded liabilities by \$29,657,281 at the close of the most recent fiscal year.

A large portion, 103%, of the City's net position reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; however, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1
City of Amory's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 5,534,731	\$ 3,293,252	\$ 7,246,604	\$ 6,920,846	\$ 12,781,335	\$ 10,214,098
Capital Assets	14,603,668	14,558,841	18,593,482	18,855,783	33,197,150	33,414,624
Total Assets	20,138,399	17,852,093	25,840,086	25,776,629	45,978,485	43,628,722
Deferred Outflows	1,137,355	0	538,118	0	1,675,473	0
Total Deferred Outflows	1,137,355	0	538,118	0	1,675,473	0
Current and Other Liabilities	976,873	632,030	3,175,827	3,063,097	4,152,700	3,695,127
Long-Term Liabilities	8,159,281	133,866	4,964,458	1,097,104	13,123,739	1,230,970
Total Liabilities	9,136,154	765,896	8,140,285	4,160,201	17,276,439	4,926,097
Deferred Inflows	346,242	0	373,996	0	720,238	0
Total Deferred Inflows	346,242	0	373,996	0	720,238	0
Net Position:						
Net Investment in						
Capital Assets	12,816,669	14,293,876	17,611,800	17,779,190	30,428,469	32,073,066
Restricted	1,774,499	295,561	160,553	160,160	1,935,052	455,721
Unrestricted	(2,797,810)	2,496,760	91,570	3,677,078	(2,706,240)	6,173,838
Total Net Position	<u>\$ 11,793,358</u>	<u>\$17,086,197</u>	<u>\$ 17,863,923</u>	<u>\$ 21,616,428</u>	<u>\$ 29,657,281</u>	<u>\$ 38,702,625</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of our business-type activities were \$91,570 at the end of the current fiscal year. These resources cannot be used to add to the net position surplus in governmental activities. The City of Amory generally can only use this net position to finance the continuing operations of the business type activities.

Changes in net position. Approximately 9.28 percent of the City of Amory's revenue comes from property taxes, with 23.71 percent of all revenue coming from some type of tax. (See Table A-2.) Another 74.33 percent comes from fees charged for services, and the balance is from operating and capital grants and contributions and investment earnings.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2

Changes in The City of Amory's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 586,017	\$ 488,557	\$ 16,431,173	\$ 16,286,653	\$17,017,190	\$16,775,210
Operating Grants & Contributions	0	0	0	0	0	0
Capital Grants & Contributions	508,084	923,649	0	141,908	508,084	1,065,557
General Revenues:						
Property Taxes	2,125,547	1,984,614	0	0	2,125,547	1,984,614
Other Taxes	3,303,007	3,202,317	0	0	3,303,007	3,202,317
Intergovernmental Revenues	204,770	189,158	0	0	204,770	189,158
Investment Income	3,290	5,072	2,106	2,395	5,396	7,467
Other	<u>(289,488)</u>	<u>84,115</u>	<u>18,395</u>	<u>(41)</u>	<u>(271,093)</u>	<u>84,074</u>
Total Revenues	6,441,227	6,877,482	16,451,674	16,430,915	22,892,901	23,308,397
Expenses						
General Government	1,218,299	1,081,546	0	0	1,218,299	1,081,546
Public Safety	3,010,017	2,733,302	0	0	3,010,017	2,733,302
Public Works	1,146,317	1,088,705	0	0	1,146,317	1,088,705
Urban & Economic Development	154,557	142,701	0	0	154,557	142,701
Culture & Recreation	1,017,426	913,599	0	0	1,017,426	913,599
Water & Sewer	0	0	2,192,753	2,131,206	2,192,753	2,131,206
Electric	0	0	13,516,856	13,407,220	13,516,856	13,407,220
Solid Waste Management	0	0	891,586	876,313	891,586	876,313
Interest on Long-Term Debt	<u>8,097</u>	<u>14,500</u>	<u>0</u>	<u>0</u>	<u>8,097</u>	<u>14,500</u>
Total Expenses	<u>6,554,713</u>	<u>5,974,353</u>	<u>16,601,195</u>	<u>16,414,739</u>	<u>23,155,908</u>	<u>22,389,092</u>
Excess of Revenue Over Expenses	(113,486)	903,129	(149,521)	16,176	(263,007)	919,305
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Position	<u>(113,486)</u>	<u>903,129</u>	<u>(149,521)</u>	<u>16,176</u>	<u>(263,007)</u>	<u>919,305</u>
Net Position—Beginning, as previously stated	17,086,197	16,183,068	21,616,428	21,600,252	38,702,625	37,783,320
Prior Period Adjustment	<u>(5,179,353)</u>	<u>0</u>	<u>(3,602,984)</u>	<u>0</u>	<u>(8,782,337)</u>	<u>0</u>
Net Position—Beginning, as restated	<u>11,906,844</u>	<u>16,183,068</u>	<u>18,013,444</u>	<u>21,600,252</u>	<u>29,920,288</u>	<u>37,783,320</u>
Net Position—Ending	<u>\$ 11,793,358</u>	<u>\$ 17,086,197</u>	<u>\$ 17,863,923</u>	<u>\$ 21,616,428</u>	<u>\$ 29,657,281</u>	<u>\$ 38,702,625</u>

Governmental Activities

Governmental activities decreased the City's net position by \$113,486, thereby accounting for 43% of the total decrease in the net position of the City. Key elements of this increase are as follows:

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest funding sources for the City's governmental activities, as a percent of total revenues, are other taxes (51%), property taxes (33%), and charges for services (9%).

The largest expense category for the City's governmental activities are public safety (46%), general government (19%), and public works (17%).

Business-type Activities

Business-type activities decreased the City's net position by \$149,521, accounting for 57 percent of the decrease in the City's net position.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$1,733,042 for water and sewer, \$13,841,604 for electric, and \$856,527 for solid waste management.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

General Fund—The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,000,861, which comprised 74 percent of the fund balance. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 43% of total fund expenditures. The fund balance of the City's general fund increased by \$458,576 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$29,579, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$32.

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants from the federal and state governments. At the end of the current fiscal year, the fund balance was \$318,174, which will be used for future expenditures.

Capital Projects Fund—The capital projects fund accounts for the construction and reconstruction of general public improvements, excluding projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$1,456,325. The net increase in fund balance during the current year in capital projects fund was \$1,456,325.

Proprietary Funds—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$17,863,923. Changes in net position, which totaled a decrease of \$149,521, were as follows: the electric fund increased by \$326,614, the water & sewer fund decreased by \$459,598, and the solid waste management fund decreased by \$16,537.

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Highlights

The City's annual budget, which is prepared on an operating basis, includes estimated revenues and annual appropriations for the proprietary funds as well as the governmental funds.

The City's 2014 - 15 general fund operating budget increased by approximately \$264,300 during the current fiscal year. This increase was primarily related to increases in street department capital outlay expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounted to \$33,197,150, net of accumulated depreciation of \$31,314,506. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3
City of Amory's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 1,243,571	\$ 1,577,218	\$ 231,679	\$ 523,471	\$ 1,475,250	\$ 2,100,689
Buildings	5,644,413	5,605,267	690,617	684,767	6,335,030	6,290,034
Improvements (other than buildings)	5,716,268	5,014,841	29,982,880	29,636,261	35,699,148	34,651,102
Machinery & Equipment	3,090,586	3,260,852	3,302,436	3,057,218	6,393,022	6,318,070
Infrastructure	13,380,534	13,380,534	0	0	13,380,534	13,380,534
Construction-in-progress	191,395	28,467	1,037,277	797,102	1,228,672	825,569
Accumulated Depreciation	(14,663,099)	(14,308,338)	(16,651,407)	(15,843,036)	(31,314,506)	(30,151,374)
Total	<u>\$ 14,603,668</u>	<u>\$ 14,558,841</u>	<u>\$18,593,482</u>	<u>\$18,855,783</u>	<u>\$ 33,197,150</u>	<u>\$ 33,414,624</u>

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the city had \$2,768,681 in bonds and notes outstanding. More detailed information about the city of Amory's long-term liabilities is presented in the notes to the financial statements.

Table A-4

City of Amory's Outstanding Debt						
	Governmental		Business-Type			
	Activities		Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Obligation Bonds	\$ 1,500,000	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 0
Revenue Bonds	0	0	930,000	1,000,000	930,000	1,000,000
CAP Loans	79,802	115,044	0	0	79,802	115,044
Promissory Notes	207,197	149,921	51,682	76,593	258,879	226,514
Total	\$ 1,786,999	\$ 264,965	\$ 981,682	\$ 1,076,593	\$ 2,768,681	\$ 1,341,558

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2016 budget. The total budgeted appropriations for the City operations in the general fund are \$8,406,973. This budget reflects an increase of approximately \$961,374. This increase is due primarily to an increase in capital outlay related to various economic development projects and street improvements.

CONTACTING THE CITY OF AMORY FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Amory finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Amory's Finance Department, P.O. Drawer 457 Amory, MS 38821.

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash on Deposit	\$ 4,296,081	\$ 2,462,917	\$ 6,758,998
Money Market, CD's	602,224	854,539	1,456,763
Accounts Receivable, Net	-	2,450,523	2,450,523
Court Fines Receivable, Net	134,588	-	134,588
Property Taxes Receivable	74,078	-	74,078
Other Receivables	52,212	-	52,212
Notes Receivable	1,223	-	1,223
Lease Payments Receivable	93,129	-	93,129
Due From Other Funds	76,528	640,005	716,533
Due From Other Governments	204,317	-	204,317
Accrued Interest	351	-	351
Prepaid Expenses	-	12,541	12,541
Inventories	-	379,830	379,830
Notes Receivable	-	154,456	154,456
Nonutility Property, net	-	291,793	291,793
Capital Assets:			
Land	1,243,571	231,679	1,475,250
Improvements Other than Buildings	5,716,268	29,982,880	35,699,148
Plant, Buildings and Improvements	5,644,413	690,617	6,335,030
Machinery and Equipment	3,090,586	3,302,436	6,393,022
Infrastructure	13,380,534	-	13,380,534
Construction in Progress	191,395	1,037,277	1,228,672
Accumulated Depreciation	(14,663,099)	(16,651,407)	(31,314,506)
TOTAL ASSETS	\$ 20,138,399	\$ 25,840,086	\$ 45,978,485
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 1,137,355	\$ 538,118	\$ 1,675,473
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,137,355	\$ 538,118	\$ 1,675,473

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Accounts Payable and Accrued Expenses	\$ 548,786	\$ 1,692,325	\$ 2,241,111
Due to Other Funds	419	511,168	511,587
Due to Other Industries	3,453	-	3,453
Unearned Revenue	163,310	-	163,310
Long-Term Liabilities, Due Within one Year			
General Obligation Bonds	30,000	-	30,000
Revenue Bonds	-	75,000	75,000
Notes Payable	126,587	25,585	152,172
Long-Term Liabilities, Due in More Than one Year			
General Obligation Bonds	1,470,000		1,470,000
Revenue Bonds	-	855,000	855,000
Notes Payable	160,412	26,097	186,509
Net Pension Liability	6,528,869	3,923,374	10,452,243
Customer Deposits	-	804,969	804,969
Accrued Compensated Absences	104,318	66,433	170,751
Dererred Credits	-	347	347
Advances TVA - Home Insulation Loans	-	159,987	159,987
TOTAL LIABILITIES	9,136,154	8,140,285	17,276,439
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 346,242	\$ 373,996	\$ 720,238
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 346,242	\$ 373,996	\$ 720,238
<u>NET POSITION</u>			
Net Investment in Capital Assets	12,816,669	17,611,800	30,428,469
Restricted for:			
Debt Service	-	160,553	160,553
Capital Projects	1,456,325	-	1,456,325
Special Revenue	318,174	-	318,174
Unrestricted (Deficit)	(2,797,810)	91,570	(2,706,240)
TOTAL NET POSITION	\$ 11,793,358	\$ 17,863,923	\$ 29,657,281

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Government Activities:							
General Government	\$ 1,218,299	\$ 92,133	\$ -	\$ -	\$ (1,126,166)	\$ -	\$ (1,126,166)
Public Safety	3,010,017	192,082	-	6,236	(2,811,699)	-	(2,811,699)
Public Works	1,146,317	-	-	-	(1,146,317)	-	(1,146,317)
Urban and Economic Development	154,557	108,416	-	501,848	455,707	-	455,707
Culture and Recreation	1,017,426	193,386	-	-	(824,040)	-	(824,040)
Capital Projects	-	-	-	-	-	-	-
Debt Service	8,097	-	-	-	(8,097)	-	(8,097)
TOTAL GOVERNMENTAL ACTIVITIES	6,554,713	586,017	-	508,084	(5,460,612)	-	(5,460,612)
Business-Type Activities:							
Water and Sewer	2,192,753	1,733,042	-	-	-	(459,711)	(459,711)
Electric	13,516,856	13,841,604	-	-	-	324,748	324,748
Solid Waste Management	891,586	856,527	-	-	-	(35,059)	(35,059)
TOTAL BUSINESS-TYPE ACTIVITIES	16,601,195	16,431,173	-	-	-	(170,022)	(170,022)
TOTAL PRIMARY GOVERNMENT	23,155,908	17,017,190	-	508,084	(5,460,612)	(170,022)	(5,630,634)

GENERAL REVENUES:

Taxes:							
Property Taxes, Levied for General Purposes	\$	2,125,541	\$	-	\$	2,125,541	6
Property Taxes, Levied for Debt Service							
Sales Taxes		1,925,333				1,925,333	
County Pro Rata Taxes		476,701				476,701	
Franchise Taxes		96,218				96,218	
In Lieu Taxes		783,551				783,551	
Gasoline Taxes & Other Taxes		21,204				21,204	
Homestead Reimbursement		160,548				160,548	
Fire Protection Allocation		39,808				39,808	
Grants and Contributions not Restricted to Specific Programs		4,414				4,414	
Investment Earnings		3,290				2,106	5,396
Gain (Loss) on Asset Disposal		(322,744)				18,395	(304,349)
Miscellaneous		33,256				-	33,256
Transfers		-				-	-
TOTAL GENERAL REVENUES AND TRANSFERS		5,347,126				20,501	5,367,627
CHANGE IN NET POSITION		(113,486)				(149,521)	(263,007)
NET POSITION--BEGINNING, as previously stated		17,086,197				21,616,428	38,702,625
PRIOR PERIOD ADJUSTMENT		(5,179,353)				(3,602,984)	(8,782,337)
NET POSITION--BEGINNING, as restated		11,906,844				18,013,444	29,920,288
NET POSITION--ENDING		11,793,358				17,863,923	29,657,281

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

**CITY OF AMORY, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015**

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>			
Cash on Deposit	\$ 2,670,900	\$ 1,625,181	\$ 4,296,081
Money Market, CD's	420,152	182,072	602,224
Other Receivables	52,212	-	52,212
Notes Receivable	-	1,223	1,223
Lease Payments Receivable	93,129	-	93,129
Due From Other Funds	76,528	-	76,528
Due From Other Governments	204,317	-	204,317
Accrued Interest	351	-	351
TOTAL ASSETS	\$ 3,517,589	\$ 1,808,476	\$ 5,326,065
<u>LIABILITIES AND FUND BALANCES:</u>			
<u>LIABILITIES:</u>			
Accounts Payable and Accrued Expenses	\$ 544,388	\$ 4,398	\$ 548,786
Due to Other Funds	419	-	419
Due to Other Industries	3,453	-	3,453
Deferred Revenues - Lease Payments	93,129	-	93,129
Unearned Revenue	163,310	-	163,310
Accrued Compensated Absences	-	-	-
TOTAL LIABILITIES	\$ 804,699	\$ 4,398	\$ 809,097
<u>FUND BALANCES:</u>			
Nonspendable	43,427	-	43,427
Committed			
BiCentennial CD	2,625	-	2,625
Debt Service Funds	-	29,579	29,579
Library	142,769	-	142,769
Restricted			
Capital Projects	-	1,456,325	1,456,325
Fire Protection	-	286,841	286,841
Police/Narcotics	-	13,985	13,985
CDBG Repayment	-	17,348	17,348
Assigned	523,208	-	523,208
Unassigned	2,000,861	-	2,000,861
TOTAL FUND BALANCES	\$ 2,712,890	\$ 1,804,078	\$ 4,516,968

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

CITY OF AMORY, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2015

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,516,968
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	14,603,668
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(1,786,999)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(104,318)
Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.	74,078
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(6,528,869)
Deferred outflows and inflows related to pensions are applicable to future periods and therefore they are not reported in the governmental funds balance sheet.	
Deferred outflows of resources related to defined benefit pension plan	1,137,355
Deferred inflows of resources related to defined benefit pension plan	(346,242)
Deferred revenues for capital lease receivables deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.	93,129
Accrual of court fine revenues to qualify as financial resources.	<u>134,588</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>11,793,358</u></u>

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the year ended September 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
General Property Taxes	\$ 2,121,979	\$ 6	\$ 2,121,985
Sales and Use Taxes	1,925,333	-	1,925,333
Licenses and Permits	38,832	-	38,832
Franchise Fees	96,218	-	96,218
Penalties and Interest	53,301	-	53,301
Intergovernmental Revenues	1,446,418	39,808	1,486,226
Grant Income	457,340	-	457,340
Charges for Services	193,386	-	193,386
Fines and Forfeits	139,922	-	139,922
Interest Income	3,109	181	3,290
Wharfage Fees	108,416	-	108,416
Donations/Contributions	50,744	-	50,744
Miscellaneous Revenues	32,756	500	33,256
TOTAL REVENUES	6,667,754	40,495	6,708,249
EXPENDITURES:			
Current:			
General Government	1,149,220	-	1,149,220
Public Safety	2,540,615	17,850	2,558,465
Public Works	1,083,381	43,675	1,127,056
Culture and Recreation	863,530	-	863,530
Urban and Economic Development	672,412	-	672,412
Capital Projects	-	-	-
Debt Service	-	136,063	136,063
TOTAL EXPENDITURES	6,309,158	197,588	6,506,746
EXCESS OF REVENUES			
OVER (UNDER) EXPENDITURES	358,596	(157,093)	201,503
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(375,308)	-	(375,308)
Transfers from Other Funds	239,245	136,063	375,308
Lease Payments	49,400	-	49,400
Proceeds from Sale of Capital Assets	36,643	-	36,643
Proceeds from Issuance of Debt	150,000	1,500,000	1,650,000
TOTAL OTHER FINANCING			
SOURCES (USES)	99,980	1,636,063	1,736,043
NET CHANGE IN FUND BALANCES	458,576	1,478,970	1,937,546
FUND BALANCES - Beginning, as previously stated	2,171,740	325,108	2,496,848
PRIOR PERIOD ADJUSTMENT	82,574	-	82,574
FUND BALANCES - Beginning, as restated	2,254,314	325,108	2,579,422
FUND BALANCES - Ending	\$ 2,712,890	\$ 1,804,078	\$ 4,516,968

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

CITY OF AMORY, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,937,546

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Government Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 998,169

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds. (593,955)

Proceeds from the disposition of capital assets is reported as income in the Governmental Funds. The gain or loss on the sale of the capital assets and not the gross proceeds are reported as income in the Government-Wide Statement of Activities. (359,387)

Because some property taxes will not be collected for several months after the Government's fiscal year ends, they are not considered "available" revenues in the governmental funds. 3,562

Revenues related to court fines in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds. 52,160

Payments received related to deferred revenues reported as revenue on the Governmental Funds financial statements as received. (49,400)

(Increase) decrease in accrual of compensated absences. (21,744)

Changes to net pension liability, deferred inflows and deferred outflows are reported in pension expense in the statement of activities but do not provide or require the use of current financial resources; therefore, pension expense related to these changes are not reported as expenditures in the governmental funds. (558,403)

Bond and debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents bond and debt proceeds and premiums. (1,650,000)
This amount represents long-term debt repayments and issuance costs. 127,966

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (113,486)

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

CITY OF AMORY, MISSISSIPPI
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
General Property Taxes	\$ 2,041,867	\$ 2,041,867	\$ 2,117,568	\$ 75,701
Sales and Use Taxes	1,800,000	1,800,000	1,928,972	128,972
Licenses and Permits	27,650	27,650	38,832	11,182
Franchise Fees	64,500	64,500	96,218	31,718
Penalties and Interest	23,000	23,000	53,301	30,301
Intergovernmental Revenues	1,340,700	1,340,700	1,446,418	105,718
Grant Income	797,500	797,500	457,340	(340,160)
Charges for Services	126,600	173,500	193,386	19,886
Fines and Forfeits	145,950	145,950	139,922	(6,028)
Interest Income	800	800	3,109	2,309
Wharfage Fees	120,000	120,000	82,250	(37,750)
Donations/Contributions	108,277	108,277	50,744	(57,533)
Miscellaneous Revenues	7,950	7,950	11,416	3,466
TOTAL REVENUES	6,604,794	6,651,694	6,619,476	(32,218)
EXPENDITURES:				
Current:				
General Government	1,230,801	1,268,601	1,149,220	119,381
Public Safety	2,911,292	2,922,292	2,540,615	381,677
Public Works	1,166,196	1,323,196	1,083,381	239,815
Culture and Recreation	905,610	964,110	863,530	100,580
Urban and Economic Development	967,400	967,400	672,412	294,988
TOTAL EXPENDITURES	7,181,299	7,445,599	6,309,158	1,136,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(576,505)	(793,905)	310,318	1,104,223
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	(245,060)	(245,060)	(136,063)	108,997
Proceeds from Sale of Capital Assets	2,000	2,000	36,643	34,643
Proceeds from Issuance of Debt	-	-	150,000	150,000
Lease Payments	118,857	118,857	49,400	(69,457)
TOTAL OTHER FINANCING SOURCES (USES)	(124,203)	(124,203)	99,980	224,183
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (700,708)	\$ (918,108)	\$ 410,298	\$ 1,328,406

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2015

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	NON-MAJOR ENTERPRISE FUND	TOTAL
ASSETS:				
Current Assets:				
Cash	\$ 2,197,210	\$ 206,342	\$ 59,365	\$ 2,462,917
Money Market, CD's	616,153	111,661	126,725	854,539
Accounts Receivables	2,076,922	254,326	119,275	2,450,523
Due from Other Funds	491,273	75,654	73,078	640,005
Inventories	308,564	71,266	-	379,830
Prepaid Expenses	7,574	4,967	-	12,541
Total Current Assets	5,697,696	724,216	378,443	6,800,355
Noncurrent Assets:				
Restricted Assets:				
Due From Home Owner For				
Conservation Loans	154,456	-	-	154,456
Nonutility Property, net	291,793	-	-	291,793
Capital Assets:				
Land	106,483	125,196	-	231,679
Buildings	331,094	246,984	112,539	690,617
Improvements Other Than Building	15,808,089	14,174,791	-	29,982,880
Machinery & Equipment	1,358,637	1,165,056	778,743	3,302,436
Accumulated Depreciation	(8,664,728)	(7,281,974)	(704,705)	(16,651,407)
Construction Work In Progress	357,065	680,212	-	1,037,277
Total Noncurrent Assets	9,742,889	9,110,265	186,577	19,039,731
Total Assets	\$ 15,440,585	\$ 9,834,481	\$ 565,020	\$ 25,840,086
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Amounts Related to Pensions	\$ 172,165	\$ 251,604	\$ 114,349	\$ 538,118
Total Deferred Outflows of Resources	\$ 172,165	\$ 251,604	\$ 114,349	\$ 538,118

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2015

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			
	ELECTRIC FUND	WATER & SEWER FUND	NON-MAJOR ENTERPRISE FUNDS	TOTAL
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 1,555,233	\$ 77,129	\$ 59,963	\$ 1,692,325
Compensated Absences	37,851	19,340	9,242	66,433
Due to Other Funds	26,814	484,354	-	511,168
Long-Term Debt Due Within One Year	75,000	-	25,585	100,585
Deferred Credits	-	347	-	347
Customer Deposits	797,260	7,709	-	804,969
Total Current Liabilities	2,492,158	588,879	94,790	3,175,827
<u>Long-Term Liabilities:</u>				
Net Pension Liability	1,820,725	1,445,637	657,012	3,923,374
Long-Term Debt Due in More than One Year	855,000	-	26,097	881,097
Advances from Others- TVA	159,987	-	-	159,987
Total Long-Term Liabilities	2,835,712	1,445,637	683,109	4,964,458
Total Liabilities	\$ 5,327,870	\$ 2,034,516	\$ 777,899	\$ 8,140,285
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 263,928	\$ 75,675	\$ 34,393	\$ 373,996
Total Deferred Inflows of Resources	\$ 263,928	\$ 75,675	\$ 34,393	\$ 373,996
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	8,366,640	9,110,265	134,895	17,611,800
Restricted for:				
Debt Service	160,553	-	-	160,553
Unrestricted	1,493,759	(1,134,371)	(267,818)	91,570
Total Net Position (Deficit)	\$ 10,020,952	\$ 7,975,894	\$ (132,923)	\$ 17,863,923

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	NON-MAJOR ENTERPRISE FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 13,841,604	\$ 1,733,042	\$ 856,527	\$ 16,431,173
Total Operating Revenue	13,841,604	1,733,042	856,527	16,431,173
<u>OPERATING EXPENSES:</u>				
Operations	11,717,905	1,359,303	840,169	13,917,377
Maintenance	401,645	397,816	15,712	815,173
Depreciation	584,475	393,379	33,813	1,011,667
Taxes	771,108	41,125	-	812,233
Total Operating Expenses	13,475,133	2,191,623	889,694	16,556,450
Net Operating Income (Loss)	366,471	(458,581)	(33,167)	(125,277)
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	1,866	113	127	2,106
Gain (Loss) on Sale of Equipment	-	-	18,395	18,395
Miscellaneous Income (Expense)	-	(1,130)	-	(1,130)
Interest Expense	(41,723)	-	(1,892)	(43,615)
Total Non-Operating Income (Loss)	(39,857)	(1,017)	16,630	(24,244)
Income before Operating Transfers	326,614	(459,598)	(16,537)	(149,521)
<u>OPERATING TRANSFERS IN (OUT):</u>				
Change in Net Position	326,614	(459,598)	(16,537)	(149,521)
Total Net Position-Beginning of Year, As Previously Stated	11,631,260	9,580,962	404,206	21,616,428
Net Adjustment for Prior Year Pension Expense	(1,936,922)	(1,145,470)	(520,592)	(3,602,984)
Total Net Position (Deficit) - Beginning of Year, As Restated	9,694,338	8,435,492	(116,386)	18,013,444
Total Net Position (Deficit)-Ending	\$ 10,020,952	\$ 7,975,894	\$ (132,923)	\$ 17,863,923

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

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2015

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	NON-MAJOR ENTERPRISE FUND	TOTALS
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 13,809,284	\$ 1,696,901	\$ 849,115	\$ 16,355,300
Payments to Suppliers	(9,720,080)	(996,254)	(402,958)	(11,119,292)
Payments to Employees	(1,323,628)	(568,623)	(368,505)	(2,260,756)
Payments for Other Services and Charges	(1,016,298)	-	-	(1,016,298)
Other Receipts (Payments)	(681,289)	(122,738)	-	(804,027)
Net Cash Provided (Used) in Operating Activities	<u>1,067,989</u>	<u>9,286</u>	<u>77,652</u>	<u>1,154,927</u>
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	11,631	-	11,631
Due From Other Funds	(78,748)	-	(1,806)	(80,554)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(78,748)</u>	<u>11,631</u>	<u>(1,806)</u>	<u>(68,923)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(833,093)	(128,759)	(880)	(962,732)
Gain (Loss) on Sale of Equipment	-	-	19,250	19,250
Principal Paid on Capital Debt	(70,000)	-	(24,911)	(94,911)
Interest Paid on Capital Debt	(41,694)	-	(1,892)	(43,586)
Other Receipts (Payments)	(34,769)	(1,129)	-	(35,898)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(979,556)</u>	<u>(129,888)</u>	<u>(8,433)</u>	<u>(1,117,877)</u>
Cash Flows from Investing Activities:				
Interest and Dividends	1,748	113	127	1,988
Other Receipts (Payments)	(43,794)	-	-	(43,794)
Net Cash Provided By (Used In) Investing Activities	<u>(42,046)</u>	<u>113</u>	<u>127</u>	<u>(41,806)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(32,361)	(108,858)	67,540	(73,679)
Cash and Cash Equivalents--Beginning	<u>2,845,724</u>	<u>426,861</u>	<u>118,550</u>	<u>3,391,135</u>
Cash and Cash Equivalents--Ending	<u>\$ 2,813,363</u>	<u>\$ 318,003</u>	<u>\$ 186,090</u>	<u>\$ 3,317,456</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 366,471	\$ (458,581)	\$ (33,167)	\$ (125,277)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	584,475	393,379	33,813	1,011,667
Net Pension Expense	(24,434)	124,238	56,464	156,268
(Increase) Decrease in Accounts Receivable	(37,510)	(36,086)	(7,412)	(81,008)
(Increase) Decrease in Deferred Credits	-	215	-	215
(Increase) Decrease in Prepaid Expenses	2,186	571	-	2,757
(Increase) Decrease in Inventories	27,481	(8,879)	-	18,602
Increase (Decrease) in Accounts Payable	135,555	(7,777)	26,107	153,885
Increase (Decrease) in Accrued Liabilities	5,028	2,261	1,847	9,136
Increase (Decrease) in Customer Deposits	8,737	(55)	-	8,682
Total Adjustments	<u>701,518</u>	<u>467,867</u>	<u>110,819</u>	<u>1,280,204</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ 1,067,989</u>	<u>\$ 9,286</u>	<u>\$ 77,652</u>	<u>\$ 1,154,927</u>

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

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES

The City of Amory, Mississippi operates under a Mayor - Alderman form of government and provides the following services: public safety (police & fire), public works (street and waste collection), recreation, building and ground improvements, utilities (electricity and water & sewer), community services, urban redevelopment and housing, public improvements and general administrative services.

Government-Wide and Fund Financial Statements

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information on all non-fiduciary activities of the primary government and its component units. The statement distinguishes between those activities of the City that are governmental, which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Non-major funds, where applicable, are aggregated and presented in a single column. Fiduciary funds are reported by type.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary 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.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purposes, 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, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Significant revenues considered to be susceptible to accrual in addition to general property taxes include sales tax and various categorical grants.

The City reports the following governmental funds:

General Fund – The General Fund is used to account for all financial resources of the primary government except those required to be accounted for in another fund. The majority of current operations are financed by this fund. Transfers to other funds and agencies are made from this fund. Monies from other funds may be received unless prohibited by the purpose and object of such funds. This is a major fund.

Debt Service Fund – The Debt Service Fund was established to receive and account for resources restricted for the payment of interest and principal on general improvement and school bonds, and notes and capital leases. This is a non-major governmental fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. This is a non-major governmental fund.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources from debt issuances, transfers, and or grants provided for the specific purpose of constructing or acquiring capital improvements for governmental activities. This is a non-major fund.

The City reports the following major proprietary funds:

The Electric Fund – This fund is used to account for the City's electric distribution system. This fund is responsible for electric power delivery to the residents of the City of Amory.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

The Water and Sewer Fund – This fund is used to account for the City's water treatment and distribution system. This fund is responsible for water delivery to the residents of the City of Amory.

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principals Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues are those which cannot be associated directly with program activities.

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 a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water Fund, refuse collection charges for the Solid Waste Fund, and sale of electricity for the Electric Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Financial Reporting Entity

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization on the City

Included within the reporting entity:

City of Amory electric, water and sewer system, and solid waste management fund. The rates for user charges and bond issuance authorizations also are approved by the governments governing body and the legal liability for the general obligation portion of the electric, water and sewer debt remains with the government.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Budgets and Budgetary Accounting

The Mayor and Board of Aldermen generally follow the following proposed budget calendar of the State Department of Audit in establishing the budgetary data reflected in the financial statements:

- (1) The Mayor and Board of Aldermen formulate the budget policy at the May board meeting.
- (2) Department budget requests are prepared by the appropriate people and submitted by the July board meeting.
- (3) A proposed budget is presented at the August meeting and a notice of public budget hearings and availability of the budget for inspection is published.
- (4) Between August 15th-30th a public hearing is held and the budget is adopted. The anticipated tax levy is reviewed to determine whether public notice is required on any levy.
- (5) Between September 1st-15th the budget must be adopted and the tax levy set.
- (6) Between September 1st-30th, in accordance with the City's population, the budget must be published in a municipal newspaper.
- (7) And, between September 15th-30th the budget as adopted should be written up, filed with the municipal clerk and public notice given of the availability of the budget for inspection.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

- (8) Further, budgets are used as management control devices in the General Debt Service and Proprietary Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except the Proprietary Fund recognizes all expenditures for debt as expense and no depreciation expense is recognized.

Budgetary data for the Capital Projects Fund has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts after appropriate revisions during the year.

Expenditures may not legally exceed budgeted appropriations at the activity level except for capital outlays, election expenses and emergency expenditures.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

General Obligation Enterprise Bonds

The Enterprise Funds provide the annual debt service requirements on certain general obligation enterprise bonds (not secured by system revenues) issued to finance system improvements. Since the Enterprise Funds provide the annual debt service on these general obligation enterprise bonds, the bonds are considered to be obligations of the Enterprise Funds and have been reported on the balance sheets of the Enterprise Funds.

Although the general obligation enterprise bonds are reported on the balance sheets of the Enterprise Funds, they are backed by the full faith and credit of the City and are therefore a contingent liability to the general government.

Encumbrances

State law does not require that funds be available when goods or services are ordered, only when paid for. Due to this circumstance, the City does not employ an encumbrance system.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid debt instruments purchased with an original maturity of three months or less when acquired are considered to be cash equivalents.

Receivables

Receivables at September 30, 2015, consisted primarily of property and other taxes, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments. Management believes that all accounts receivables as of September 30, 2015 were fully collectible except as discussed below.

The accrual amount of court fine receivables on the Statement of Net Position has been reduced by \$412,930 to reflect the provision for uncollectible fines as determined by management's estimate.

Business Information

The City of Amory, Mississippi provides electric, water and sewer and solid waste collection services to customers located within the city limits of Amory, Mississippi as well as a limited number of customers outside the city limits. Credit is extended to all of these customers for services.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Inventories

Inventories for proprietary fund types are valued at cost. The City does not maintain inventory records for any other fund types.

Prepaid Items

Prepaid items, such as prepaid insurance, are not reported for governmental fund types. This is permitted by generally accepted accounting principles.

Compensated Absences

The City's policy allows employees to accumulate unused vacation leave up to 15 days. Upon termination, any accumulated vacation will be paid to the employee. Sick leave will be paid only upon illness while an employee of the City.

Cash and Investments

The City deposits funds in the financial institutions selected by the Board of Alderman in accordance with state statutes.

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entities' are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the FDIC.

Investments - State statutes, city bond ordinances and city resolutions authorize the City's investments. The City is authorized, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county, municipality or school district of this state, when such county, municipal or school district bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of funds. For reporting purposes, certificates of deposit are classified as investments. Investments are valued at cost or amortized cost except for investments in the Deferred Compensation Fund that are reported at market value.

Fund Balance Classification

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions. In accordance with GASB Statement No. 54, 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:

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has an obligation to maintain unemployment revolving fund funds intact in lieu of periodic contributions to the state unemployment insurance program. The City has classified all funds associated with the unemployment revolving fund as nonspendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified unexpended fire rebate funds as being restricted because their use is restricted by State Statute. Also, police/ narcotics and CDBG repayment funds are classified as restricted because the underlying grant restricts the use of the remaining funds.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen 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. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has classified the library department funds and a bicentennial certificate of deposit, both in the general fund, as being committed because they were set aside for specific purposes by the Board of Aldermen. The City also considers the balance in the debt service fund as committed based on Board authorization.
- **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 Board of Aldermen or through the Board of Aldermen delegating this responsibility to the City's management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has \$523,208 of assigned fund balances as of September 30, 2015.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and all other amounts not included in other spendable classifications.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions

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

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Investments are reported at fair value.

NOTE 2 - PROPERTY TAXES

Property taxes, except motor vehicles, attach as an enforceable lien on property as of January 1st. The City bills and collects its own property taxes, except motor vehicle taxes, and also collects taxes for the Separate School District. Motor vehicle taxes are collected by the County Tax Collector and remitted to the City. Taxes are levied on October 1st and are due and payable at that time. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end.

The millage was allocated as follows:

	<u>2015</u>		<u>2014</u>	
	<u>City</u>	<u>School District</u>	<u>City</u>	<u>School District</u>
General Fund	34.90	0.00	32.10	0.00
Library Fund	3.00	0.00	3.00	0.00
School Debt Service Fund				
2010 Three Mill Note	0.00	2.08	0.00	0.00
2013 Three Mill Note	0.00	0.81	0.00	2.89
2013 Shortfall Note	0.00	0.89	0.00	0.89
2014 Shortfall Note	0.00	0.38	0.00	0.00
School Maintenance Fund	<u>0.00</u>	<u>36.78</u>	<u>0.00</u>	<u>33.26</u>
Total	<u>37.90</u>	<u>40.94</u>	<u>35.10</u>	<u>37.04</u>

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUND TYPES

A summary of proprietary fund types property, plant and equipment follows:

	<u>Enterprise</u>	
	<u>2015</u>	<u>2014</u>
Electric Fund	\$ 17,961,368	\$ 17,542,032
Solid Waste Management Fund	891,282	898,990
Combined Water & Sewer Fund	<u>16,392,239</u>	<u>16,257,797</u>
Total	35,244,889	34,698,819
Less: Accumulated Depreciation	<u>16,651,407</u>	<u>15,843,036</u>
Net	<u>\$ 18,593,482</u>	<u>\$ 18,855,783</u>

The Solid Waste Management Fund was established on October 1, 1992. As required by the State Department of Audit, costs listed above are from historical records of buildings and equipment acquired by the City of Amory, Mississippi.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUND TYPES (continued)

For the Enterprise Funds, the accumulated provision for depreciation is charged with retirements together with removal cost less salvage. Generally, because of the composite character of the provision no other adjustments of accumulated depreciation are made in recording retirements.

The Water and Sewer Fund and Solid Waste Management Fund equipment is carried at cost, less depreciation, except for the water plant existing on October 1, 1958.

The Electric Fund was established on September 3, 1934, at an appraised value of \$17,423. Additions subsequent to that time have been at cost.

The valuation of the water plant in service at October 1, 1958, was based on actual cost for all possible items. In those cases where actual cost could not be determined, the calculation of plant items was based on engineering estimates and/or consultant's appraisals. It is noted that this is a variation from the generally accepted accounting principals that require assets be recorded at cost. Asset values were adjusted to reflect estimated net book value as of October 1, 1958. However, all plant additions in later periods were recorded at cost and depreciation of the water plant was recognized in the statement.

NOTE 4 - LITIGATION

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the City. In the opinion of the elected officials, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the city if disposed of unfavorably.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 5 - FIXED ASSETS

The following is a summary of capital asset activity as of September 30, 2015:

Primary Government:

Governmental Activities:

	Balance 10/1/2014	Additions	Disposals	Balance 9/30/2015
Capital Assets, not being depreciated:				
Land	\$ 1,577,218	\$ 0	\$ (333,647)	\$ 1,243,571
Construction in Progress	<u>28,467</u>	<u>864,355</u>	<u>(701,427)</u>	<u>191,395</u>
Total Capital Assets, not being depreciated	1,605,685	864,355	(1,035,074)	1,434,966
Capital Assets being depreciated				
Plant, Buildings & Improvements	10,620,108	39,146	701,427	11,360,681
Infrastructure	13,380,534	0	0	13,380,534
Machinery & Equipment	<u>3,260,852</u>	<u>94,668</u>	<u>(264,934)</u>	<u>3,090,586</u>
Total Capital Assets being depreciated	27,261,494	133,814	436,493	27,831,801
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(4,114,264)	(327,742)	0	(4,442,006)
Machinery & Equipment	(2,628,758)	(116,818)	239,194	(2,538,959)
Infrastructure	<u>(7,565,316)</u>	<u>(149,395)</u>	<u>0</u>	<u>(7,682,134)</u>
Total Accumulated Depreciation	(14,308,338)	(593,955)	239,194	(14,663,099)
Total Capital Assets, depreciated, net	<u>12,953,156</u>	<u>(460,141)</u>	<u>675,687</u>	<u>13,168,702</u>
Primary Government Capital Assets, net	\$ <u><u>14,558,841</u></u>	\$ <u><u>404,214</u></u>	\$ <u><u>(359,387)</u></u>	\$ <u><u>14,603,668</u></u>

The City has adopted a capitalization threshold of \$1,000 for general fixed assets and a threshold of \$5,000 for infrastructure assets. The City has retroactively applied these thresholds to all general fixed assets in service. The City also retroactively capitalized infrastructure assets in service.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 5 - FIXED ASSETS (continued)

A summary of business-type capital asset activity at September 30, 2015 follows:

Business-Type Activities:

	Balance 10/1/2014	Additions	Disposals	Balance 9/30/2015
Capital Assets, not being depreciated:				
Land	\$ 523,471	\$ 0	\$ (291,792)	\$ 231,679
Construction in Progress	<u>797,102</u>	<u>325,190</u>	<u>(85,015)</u>	<u>1,037,277</u>
Total Capital Assets, not being depreciated	1,320,573	325,190	(376,807)	1,268,956
Capital Assets being depreciated				
Plant, Buildings & Improvements	30,321,028	474,434	(121,965)	30,673,497
Machinery & Equipment	<u>3,057,218</u>	<u>254,855</u>	<u>(9,637)</u>	<u>3,302,436</u>
Total Capital Assets being depreciated	33,378,246	729,289	(131,602)	33,975,933
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(13,746,206)	(878,738)	195,933	(14,429,011)
Machinery & Equipment	<u>(2,096,830)</u>	<u>(132,929)</u>	<u>7,363</u>	<u>(2,222,396)</u>
Total Accumulated Depreciation	(15,843,036)	(1,011,667)	203,296	(16,651,407)
Total Capital Assets, depreciated, net	<u>17,535,210</u>	<u>(282,378)</u>	<u>71,694</u>	<u>17,324,526</u>
Primary Government Capital Assets, net	\$ <u>18,855,783</u>	\$ <u>42,812</u>	\$ <u>(305,113)</u>	\$ <u>18,593,482</u>

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on the fixed assets using the following useful lives:

Plant, building, and Improvements	5 – 40 Years
Machinery and Equipment	5 – 15 Years
Furniture and Fixtures	5 – 20 Years
Vehicles	5 – 10 Years

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 53,201
Public Safety	120,140
Public Works	159,651
Urban and Economic Development	116,904
Culture & Recreation	<u>144,059</u>
Total Depreciation Expense – Governmental Activities	\$ <u>593,955</u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 5 - FIXED ASSETS (continued)

Business-type Activities:	
Electric Department	\$ 584,475
Water and Sewer	393,379
Solid Waste	<u>33,813</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 1,011,667</u>

NOTE 6 - LONG-TERM DEBT

General obligation bonds include a G.O. Street Improvement Bond. Resolutions adopted by the City authorizing the issuance of Water and Sewer Department bonds set forth certain accounting requirements concerning revenues. The City is in compliance with these accounting requirements. The City is required to transfer revenues into restricted funds on a monthly basis until certain maximum fund balances have been achieved. All restricted funds had either attained their maximum balances or required transfers were being made.

The annual requirements to amortize all general obligation bonds, electric revenue bonds and notes outstanding including interest payments of \$749,529 as of September 30, 2015 are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 156,587	\$ 47,828	\$ 100,585	\$ 39,510	\$ 344,510
2017	152,810	46,801	101,097	35,945	336,653
2018	40,362	44,114	80,000	32,648	197,124
2019	40,757	43,044	85,000	29,447	198,248
2020	41,167	41,959	90,000	25,963	199,089
2021-2025	305,316	190,155	525,000	69,202	1,089,673
2026-2030	<u>1,050,000</u>	<u>102,913</u>	<u>0</u>	<u>0</u>	<u>1,152,913</u>
Total	<u>\$ 1,786,999</u>	<u>\$ 516,814</u>	<u>\$ 981,682</u>	<u>\$ 232,715</u>	<u>\$ 3,518,210</u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 6 - LONG-TERM DEBT (continued)

A summary of general long-term debt is as follows:

<u>Governmental Activities</u>	<u>Balance 10/01/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 09/30/15</u>	<u>Current Maturity</u>
State of Mississippi - CAP Loan \$500,000 with interest at 3.0% maturing on August 1, 2017	\$ 115,044	\$ 0	\$ 35,242	\$ 79,802	\$ 42,722
Promissory Note - \$650,000 with interest at 4.9% maturing on August 1, 2015	60,677	0	60,677	0	0
MDA Rail Loan - \$133,464 with interest at 3.75%, maturing on April 1, 2021	66,481	0	9,284	57,197	9,614
Port Revitalization Revolving Loan - \$200,000 with interest at 3%, maturing on September 1, 2015	22,763	0	22,763	0	0
Promissory Note - \$150,000 with interest at 2%, maturing on July 15, 2017	0	150,000	0	150,000	74,251
General Obligation Bond Series 2015 - \$1,500,000 with interest at 2.250% to 3.200%, maturing on July 1, 2030	0	1,500,000	0	1,500,000	30,000
	<u>\$ 264,965</u>	<u>\$ 1,650,000</u>	<u>\$ 127,966</u>	<u>\$ 1,786,999</u>	<u>\$ 156,587</u>
	<u>Balance 10/01/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 09/30/15</u>	<u>Current Maturity</u>
<u>Business-Type Activities</u>					
Revenue Bonds Series 2005-\$1,500,000 original issue with an average interest rate of 4.42%, maturing May 1, 2025	\$ 1,000,000	\$ 0	\$ 70,000	\$ 930,000	\$ 75,000
Capital Lease - \$124,627 with interest at 2.47% maturing on May 17, 2017	76,593	0	24,911	51,682	25,585
	<u>\$ 1,076,593</u>	<u>\$ 0</u>	<u>\$ 94,911</u>	<u>\$ 981,682</u>	<u>\$ 100,585</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 7 - DUE FROM/TO INTERFUND BALANCES

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 76,528	\$ 419
Special Revenue Funds	0	0
Enterprise Funds:		
Solid Waste Management Fund	73,078	0
Water and Sewer Fund	75,654	484,354
Electric Department	<u>491,273</u>	<u>26,814</u>
Total	<u>\$ 716,533</u>	<u>\$ 511,587</u>

Due from Other Funds and Due to Other Funds do not equal because the statements included herein for the Electric Fund are for the fiscal year ended June 30, 2015. The following is a reconciliation of the difference:

Due from Water and Sewer Fund on June 30, 2015 per Electric Fund	\$ 491,273	
Due to Water and Sewer Fund on June 30, 2015 per Electric Fund	(26,814)	
Due to General Fund on June 30, 2015 per Electric Fund	<u>(419)</u>	\$ 464,040
Due from Electric Fund on September 30, 2015 per General Fund	76,528	
Due from Electric Fund on September 30, 2015 per Solid Waste Fund	73,078	
Due from Electric Fund on September 30, 2015 Per Water and Sewer Fund	75,654	
Due to Electric Fund on September 30, 2015 per Water and Sewer Fund	<u>(484,354)</u>	<u>(259,094)</u>
		<u>\$ 204,946</u>

These balances represent temporary timing differences related to reimbursement for administrative expenses paid by proprietary funds to the general fund and for reimbursements related to grant income received by the special revenue fund. All balances are expected to be repaid within the next fiscal year.

NOTE 8 - ECONOMIC DEPENDENCY

Sales to one major customer during the Electric Fund's year ended June 30, 2015 totaled approximately \$1,498,478. This represented approximately 11% of this Enterprise Fund's total revenues.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description- Employees of the City of Amory are provided a defined benefit pension plan through the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing agent multiple-employer pension plan. The Public Employees' Retirement System of Mississippi (PERS) was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in the System, and elected members of the State Legislature and the President of the Senate. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Benefits Provided- For the cost-sharing plan participating members who are vested and retire at or after age 60 or those retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service.

A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year are eligible to receive an annual Cost-of-Living Adjustment (COLA). Designed to help offset the effects of inflation, the COLA is equal to 3% of your annual base benefit for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 % compounded for each fiscal year thereafter.

Employee membership data related to the Plan, as of June 30, 2015 was as follows:

Retirees and Survivors	96,338
Terminated Vested Employees	19,005
Inactive Nonvested Members	118,021
Active Members	<u>157,215</u>
Total	<u><u>390,579</u></u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Employee membership data related to the Plan, as of June 30, 2014 was as follows:

Retirees and Survivors	93,504
Terminated Vested Employees	18,064
Inactive Nonvested Members	114,489
Active Members	<u>161,360</u>
Total	<u><u>387,417</u></u>

Contributions- The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Amory is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contributions are deducted from the employees' wages or salary and remitted by the City to PERS on a monthly basis. By law, employer contributions are required to be paid. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

For the year ended September 30, 2015, the City of Amory's total payroll for all employees was \$4,319,588. Total covered payroll was also \$4,281,305. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions- At September 30, 2015, the City of Amory (including the Amory Municipal Library), reported a liability of \$8,631,518 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the City of Amory-Electric Department reported a liability of \$1,820,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Amory's proportion of the net pension liability was based on a projection of the City of Amory's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City of Amory's proportion was 0.056%. At June 30, 2014, The City of Amory-Electric's proportion was 0.015%.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

For the year ended September 30, 2015, the City of Amory recognized pension expense of \$739,105. At September 30, 2015, the City of Amory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Results - Pensions	\$ 132,835	\$ 0
City Pension Contributions Subsequent to the Measurement Date	121,861	0
Changes of Assumptions	743,576	0
Net Difference Between Projected and Actual Investment Earnings on Investments	505,036	0
Changes in Proportion and Differences Between ER Contributions and Proportionate Share Of ER Contributions	0	456,310
Total	\$ <u>1,503,308</u>	\$ <u>456,310</u>

For the year ended June 30, 2015, the City of Amory-Electric Department recognized pension expense of \$119,328. At June 30, 2015, the City of Amory-Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Results - Pensions	\$ 28,403	\$ 0
City Pension Contributions Subsequent to the Measurement Date	143,762	0
Net Difference Between Projected and Actual Earnings on Pension Plan Assets	0	263,928
Total	\$ <u>172,165</u>	\$ <u>263,928</u>

The \$143,762 of deferred outflows of resources resulting from the City of Amory-Electric Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ 55,765
2017	55,765
2018	58,013
2019	<u>65,982</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

The \$121,861 of deferred outflows of resources resulting from the City of Amory's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 280,708
2017	280,708
2018	237,462
2019	126,259
Total	\$ 925,137

Actuarial Assumptions-The City of Amory-Electric pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	4.25-19.50%, average, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Actuarial Assumptions-The City of Amory pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75-19.00%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2025, set forward two years for males for the City of Amory-Electric Department.

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016, with male rates set forward one year for the City of Amory.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2012. The experience report is dated June 12, 2013.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 and 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00%	5.20%
International Equity	19.00%	5.00%
Emerging Markets Equity	8.00%	5.45%
Fixed Income	20.00%	0.25%
Real Assets	10.00%	4.00%
Private Equity	8.00%	6.15%
Cash	1.00%	(0.50)%
Total	100.00%	

Discount Rate-The discount rate used to measure the total pension liability was 8.00% for the City of Amory-Electric Department and 7.75% for the City of Amory. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Amory's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate-The following presents the City of Amory-Electric Department's proportionate share of the net pension liability using the discount rate of 8.00%, as well as what the City of Amory-Electric Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	7.0%	\$2,482,192
Current discount rate	8.0%	\$1,820,725
1% increase	9.0%	\$1,268,964

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

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

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.75%	\$11,377,132
Current discount rate	7.75%	\$8,631,518
1% increase	8.75%	\$6,353,173

Plan Fiduciary Net Position-Detailed information about the Plan's fiduciary net position is available in the separately issued Public Employees' Retirement System of Mississippi (PERS) financial report.

NOTE 10 - RISK MANAGEMENT

The City of Amory is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs of the City except for certain employment practices liabilities, certain environmental liabilities, worker's compensation liabilities funded through a public entity risk pool, and catastrophic natural disasters that may exceed insurance coverage for which the City retains the risk of loss.

Risk of loss related to workers compensation for injuries to City employees is covered through the Mississippi Municipal Workers' Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers compensation and employer's liability coverage. The City pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City Attorney estimates that the amount of actual or potential claims against the City as of September 30, 2015, will not materially affect the financial condition of the City. Therefore, no provisions have been made for estimated claims. There have been no material claims paid by the City during the current or prior year.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 11 - FUND BALANCE RECONCILIATION - GENERAL FUND BUDGET BASIS

Mississippi state law requires, for budget purposes, that the general fund record revenues on the cash basis. Generally accepted accounting principles (GAAP) would require that the revenues be accounted for on the modified accrual basis; therefore, the required budgetary basis would not be considered to be GAAP. Any accruals of revenues included on the "Combined Statement of Revenues, Expenditures and Changes – General Fund" are eliminated for budget purposes. In the current fiscal year, accrued revenues were \$48,278 more than cash revenues.

NOTE 12 - NEW ACCOUNTING STANDARD

During the year ended September 30, 2015, the City implemented GASB Statements No. 68 *Accounting and Financial Reporting for Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Implementation resulted in a direct decrease of \$8,782,337 to net position.

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS FOR INDIVIDUAL FUNDS

Any expenditures over appropriations at the legal level or budgetary control for the respective funds are disclosed in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the respective fund. Expenditures over appropriations at the legal level of budgetary control are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund:			
Library			
Supplies	\$ 43,000	\$ 49,273	\$ 6,273

NOTE 14 - DEFICIT FUND BALANCE

The following funds have a deficit fund balance at September 30, 2015:

<u>FUND NAME</u>	<u>AMOUNT</u>
Solid Waste Management	\$ <u>132,923</u>
TOTAL	\$ <u>132,923</u>

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 29, 2016, the date on which the financial statements were available to be issued.

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**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2015**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 4,304	\$ 164,552	\$ 1,456,325	\$ 1,625,181
Money Market, CD's	26,246	155,826	-	182,072
Notes Receivable	-	1,223	-	1,223
Other Receivables	-	-	-	-
Due From Other Government Units	-	-	-	-
TOTAL ASSETS	\$ 30,550	\$ 321,601	\$ 1,456,325	\$ 1,808,476
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 971	\$ 3,427	\$ -	\$ 4,398
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	971	3,427	-	4,398
<u>FUND BALANCES:</u>				
Committed	29,579	-	-	29,579
Restricted				
Capital Projects	-	-	1,456,325	1,456,325
Fire Protection	-	286,841	-	286,841
Police/Narcotics	-	13,985	-	13,985
CDBG Repayment	-	17,348	-	17,348
TOTAL FUND BALANCES	29,579	318,174	1,456,325	1,804,078
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,550	\$ 321,601	\$ 1,456,325	\$ 1,808,476

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2015

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 6	\$ -	\$ -	\$ 6
Intergovernmental Revenues	-	39,808	-	39,808
Grant Income	-	-	-	-
Interest	26	155	-	181
Miscellaneous	-	500	-	500
TOTAL REVENUES	<u>32</u>	<u>40,463</u>	<u>-</u>	<u>40,495</u>
EXPENDITURES:				
Current:				
Public Safety	-	17,850	-	17,850
Public Works	-	-	43,675	43,675
Capital Projects	-	-	-	-
Debt Service	136,063	-	-	136,063
TOTAL EXPENDITURES	<u>136,063</u>	<u>17,850</u>	<u>43,675</u>	<u>197,588</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(136,031)</u>	<u>22,613</u>	<u>(43,675)</u>	<u>(157,093)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	1,500,000	1,500,000
Transfers to Other Funds	-	-	-	-
Transfers from Other Funds	136,063	-	-	136,063
TOTAL OTHER FINANCING SOURCES (USES)	<u>136,063</u>	<u>-</u>	<u>1,500,000</u>	<u>1,636,063</u>
NET CHANGE IN FUND BALANCES	<u>32</u>	<u>22,613</u>	<u>1,456,325</u>	<u>1,478,970</u>
FUND BALANCES - Beginning	<u>29,547</u>	<u>295,561</u>	<u>-</u>	<u>325,108</u>
FUND BALANCES - Ending	<u>\$ 29,579</u>	<u>\$ 318,174</u>	<u>\$ 1,456,325</u>	<u>\$ 1,804,078</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEET - GENERAL FUND
September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
<u>ASSETS:</u>		
Cash	\$ 2,670,900	\$ 1,963,410
Money Market, CD's	420,152	419,783
Accrued Interest Receivable	351	351
Lease Payments Receivable	93,129	142,529
Due From Other Governments	204,317	204,368
Due From Other Funds	76,528	77,593
Other Receivables	52,212	4,706
Total Assets	\$ <u>3,517,589</u>	\$ <u>2,812,740</u>
<u>LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 544,388	\$ 412,025
Accrued Compensated Absences	-	82,574
Due to Other Funds	419	419
Due to Other Industries	3,453	3,453
Unearned Revenue	163,310	-
Deferred Revenues - Lease Payments	93,129	142,529
Total Liabilities	<u>804,699</u>	<u>641,000</u>
<u>FUND BALANCE:</u>		
Nonspendable	43,427	43,383
Committed		
BiCentennial CD	2,625	2,625
Library	142,769	161,326
Assigned	523,208	682,363
Unassigned	2,000,861	1,282,043
Total Fund Balance	<u>2,712,890</u>	<u>2,171,740</u>
Total Liabilities and Fund Balance	\$ <u>3,517,589</u>	\$ <u>2,812,740</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
<u>REVENUES:</u>		
Ad Valorem Taxes:		
Real & Personal	\$ 2,121,979	\$ 1,982,781
Penalties and Interest	53,301	53,618
Licenses and Permits	38,832	41,687
State of Mississippi:		
Sales Tax	1,925,333	1,877,490
Municipal Aid	3,648	3,648
Gasoline Tax	6,352	9,904
Homestead Reimbursement	160,548	145,640
Law Enforcement Assistance	766	-
In Lieu - TVA	122,649	135,496
Monroe County:		
Pro Rata Tax	476,701	472,601
Vehicle Rental & Rail Car	14,852	13,940
In Lieu - Other:		
Utility Department	660,000	588,192
Housing Authority	902	787
State and Federal Grants	457,340	24,841
Recreation Fee	16,210	19,075
Fines and Forfeitures	139,922	160,207
Rentals	111,048	116,591
Interest	3,109	4,840
Library Income	11,303	19,123
Special Assessment Charges	54,825	22,316
Franchise Fee	96,218	103,907
Wharfage Fees	108,416	92,845
Donations/Contributions	50,744	75,000
Sundry	32,756	20,406
Total Revenues	\$ <u>6,667,754</u>	\$ <u>5,984,935</u>
<u>EXPENDITURES:</u>		
General Government:		
Legislative:		
Personnel Services	\$ 64,635	\$ 65,048
Supplies	547	467
Other Services and Charges	170,589	184,551
Capital Outlay	-	-
Total	<u>235,771</u>	<u>250,066</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
Judicial:		
Personnel Services	\$ -	\$ -
Supplies	520	849
Other Services and Charges	42,371	40,568
Capital Outlay	-	-
Total	<u>42,891</u>	<u>41,417</u>
Executive:		
Personnel Services	101,210	98,817
Supplies	539	2,046
Other Services and Charges	8,048	6,651
Capital Outlay	-	-
Total	<u>109,797</u>	<u>107,514</u>
Planning/Zoning:		
Personnel Services	191,545	188,296
Supplies	1,667	1,669
Other Services and Charges	6,430	10,753
Capital Outlay	1,348	880
Total	<u>200,990</u>	<u>201,598</u>
Elections:		
Personnel Services	-	-
Supplies	80	357
Other Services and Charges	10,728	1,647
Total	<u>10,808</u>	<u>2,004</u>
Finance:		
Personnel Services	189,946	183,949
Supplies	5,538	5,000
Other Services and Charges	81,088	71,606
Capital Outlay	-	3,913
Debt Service	-	-
Total	<u>276,572</u>	<u>264,468</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
Legal:		
Personnel Services	\$ -	\$ 5,486
Supplies	-	-
Other Services and Charges	<u>25,173</u>	<u>18,622</u>
Total	<u>25,173</u>	<u>24,108</u>
Other General Government Bldg. & Plant:		
Personnel Services	1,062	1,068
Supplies	26,395	14,177
Other Services and Charges	153,214	125,973
Capital Outlay	<u>66,547</u>	<u>65,692</u>
Total	<u>247,218</u>	<u>206,910</u>
Total General Government	<u>1,149,220</u>	<u>1,098,085</u>
Public Safety:		
Police Department:		
Personnel Services	1,374,320	1,437,725
Supplies	131,401	133,683
Other Services and Charges	108,044	112,265
Capital Outlay	25,304	58,213
Debt Service	<u>-</u>	<u>-</u>
Total	<u>1,639,069</u>	<u>1,741,886</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
Narcotics Division of Police Department:		
Personnel Services	\$ 67,911	\$ 62,585
Supplies	1,182	1,224
Other Services and Charges	255	238
Capital Outlay	982	1,031
Total	70,330	65,078
Fire Department:		
Personnel Services	775,435	807,747
Supplies	24,071	25,017
Other Services and Charges	28,400	26,843
Capital Outlay	3,310	530
Total	831,216	860,137
Total Public Safety	2,540,615	2,667,101
Public Works:		
Street Department:		
Personnel Services	273,417	290,641
Supplies	122,941	105,991
Other Services and Charges	430,358	467,332
Capital Outlay	199,863	19,214
Debt Service	-	38,266
Total	1,026,579	921,444
City Garage Department		
Personnel Services	46,399	43,918
Supplies	6,204	7,698
Other Services and Charges	4,129	4,504
Capital Outlay	70	204
Total	56,802	56,324

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
Total Public Works	\$ 1,083,381	\$ 977,768
Parks and Recreation:		
Personnel Services	291,011	276,620
Supplies	57,905	52,553
Other Services and Charges	88,628	90,711
Capital Outlay	53,482	18,191
Total	491,026	438,075
Library		
Personnel Services	158,256	158,839
Supplies	49,273	37,507
Other Services and Charges	28,201	26,235
Capital Outlay	3,396	3,327
Total	239,126	225,908
Museum Department:		
Personnel Services	87,465	97,781
Supplies	2,085	3,097
Other Services and Charges	42,828	40,529
Capital Outlay	1,000	389
Total	133,378	141,796
Total Culture and Recreation	863,530	805,779
Urban & Economic Development:		
Economic Development:		
Other Services and Charges	37,857	31,617
Capital Outlay	634,555	28,467
Total	672,412	60,084

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2015 and 2014

	TOTALS	TOTALS
	2015	2014
Total Urban & Economic Development	\$ 672,412	\$ 60,084
Total Expenditures	<u>6,309,158</u>	<u>5,608,817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>358,596</u>	<u>376,118</u>
Other Financing Sources (Uses):		
Proceeds from Issuance of Debt	150,000	-
Proceeds from Sale of Capital Assets	36,643	21,993
Transfers (to) from Other Funds	(136,063)	(141,846)
Lease Payments	<u>49,400</u>	<u>52,711</u>
Total Other Financing Sources (Uses)	<u>99,980</u>	<u>(67,142)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	458,576	308,976
Fund Balance:		
October 1, as previously stated	2,171,740	1,862,764
Prior Period Adjustment	<u>82,574</u>	<u>-</u>
October 1, as restated	<u>2,254,314</u>	<u>1,862,764</u>
September 30,	<u>\$ 2,712,890</u>	<u>\$ 2,171,740</u>

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:			
Ad Valorem Taxes:			
Real & Personal	\$ 2,041,867	\$ 2,117,568	\$ 75,701
Penalties and Interest	23,000	53,301	30,301
Licenses and Permits	27,650	38,832	11,182
State of Mississippi:			
Sales Tax	1,800,000	1,928,972	128,972
Municipal Aid	3,600	3,648	48
Gasoline Tax	10,000	6,352	(3,648)
Homestead Reimbursement	120,000	160,548	40,548
Law Enforcement Assistance	-	766	766
In Lieu - TVA	135,000	122,649	(12,351)
Monroe County:			
Pro Rate Tax	400,000	476,701	76,701
Vehicle Rental & Rail Car	11,500	14,852	3,352
In Lieu - Other:			
Utility Department	660,000	660,000	-
Housing Authority	600	902	302
State & Local Grants	797,500	457,340	(340,160)
TVA & State - Waterway Road Project	-	-	-
Recreation Fee	12,000	16,210	4,210
Fines and Forfeitures	145,950	139,922	(6,028)
Rentals	109,000	111,048	2,048
Interest	800	3,109	2,309
Library Income	45,000	11,303	(33,697)
Special Assessment Charges	7,500	54,825	47,325
Franchise Fee	64,500	96,218	31,718
Wharfage Fees	120,000	82,250	(37,750)
Donations/Contributions	108,277	50,744	(57,533)
Sundry	7,950	11,416	3,466
Total Receipts	\$ 6,651,694	\$ 6,619,476	\$ (32,218)
EXPENDITURES:			
General Government:			
Legislative:			
Personnel Services	\$ 77,310	\$ 64,635	\$ 12,675
Supplies	1,000	547	453
Other Services and Charges	175,415	170,589	4,826
Capital Outlay	-	-	-
Total	253,725	235,771	17,954

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Judicial:			
Personnel Services	\$ 300	\$ -	\$ 300
Supplies	750	520	230
Other Services and Charges	44,185	42,371	1,814
Capital Outlay	-	-	-
Total	45,235	42,891	2,344
Executive:			
Personnel Services	109,334	101,210	8,124
Supplies	2,500	539	1,961
Other Services and Charges	9,200	8,048	1,152
Capital Outlay	-	-	-
Total	121,034	109,797	11,237
Planning/Zoning:			
Personnel Services	205,462	191,545	13,917
Supplies	2,900	1,667	1,233
Other Services and Charges	14,340	6,430	7,910
Capital Outlay	2,750	1,348	1,402
Total	225,452	200,990	24,462
Elections:			
Personnel Services	-	-	-
Supplies	400	80	320
Other Services and Charges	28,000	10,728	17,272
Total	28,400	10,808	17,592
Finance:			
Personnel Services	195,655	189,946	5,709
Supplies	7,700	5,538	2,162
Other Services and Charges	85,950	81,088	4,862
Capital Outlay	2,000	-	2,000
Debt Service	-	-	-
Total	291,305	276,572	14,733

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Legal:			
Personnel Services	-	-	-
Supplies	-	-	-
Other Services and Charges	40,000	25,173	14,827
Total	40,000	25,173	14,827
Other General Government Bldg. & Plant:			
Personnel Services	2,500	1,062	1,438
Supplies	27,100	26,395	705
Other Services and Charges	160,850	153,214	7,636
Capital Outlay	73,000	66,547	6,453
Total	263,450	247,218	16,232
Total General Government	1,268,601	1,149,220	119,381
Public Safety:			
Police Department:			
Personnel Services	1,686,762	1,374,320	312,442
Supplies	138,900	131,401	7,499
Other Services and Charges	128,805	108,044	20,761
Capital Outlay	26,000	25,304	696
Debt Service	-	-	-
Total	1,980,467	1,639,069	341,398
Narcotics Division of Police Department:			
Personnel Services	69,980	67,911	2,069
Supplies	1,250	1,182	68
Other Services and Charges	335	255	80
Capital Outlay	1,000	982	18
Total	72,565	70,330	2,235

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Fire Department:			
Personnel Services	\$ 808,010	\$ 775,223	\$ 32,787
Supplies	25,650	24,283	1,367
Other Services and Charges	30,600	28,400	2,200
Capital Outlay	5,000	3,310	1,690
Total	869,260	831,216	38,044
Total Public Safety	2,922,292	2,540,615	381,677
Public Works:			
Street Department:			
Personnel Services	385,847	273,417	112,430
Supplies	180,700	122,941	57,759
Other Services and Charges	485,550	430,358	55,192
Capital Outlay	205,000	199,863	5,137
Debt Service	-	-	-
Total	1,257,097	1,026,579	230,518
City Garage Department			
Personnel Services	52,849	46,399	6,450
Supplies	8,200	6,204	1,996
Other Services and Charges	4,550	4,129	421
Capital Outlay	500	70	430
Total	66,099	56,802	9,297
Total Public Works	1,323,196	1,083,381	239,815

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Parks and Recreation:			
Personnel Services	\$ 308,377	\$ 291,011	\$ 17,366
Supplies	64,395	57,905	6,490
Other Services and Charges	109,519	88,628	20,891
Capital Outlay	60,000	53,482	6,518
Total	542,291	491,026	51,265
Library			
Personnel Services	175,666	158,256	17,410
Supplies	43,000	49,273	(6,273)
Other Services and Charges	31,000	28,201	2,799
Capital Outlay	4,600	3,396	1,204
Total	254,266	239,126	15,140
Museum Department:			
Personnel Services	118,778	87,465	31,313
Supplies	3,850	2,085	1,765
Other Services and Charges	43,425	42,828	597
Capital Outlay	1,500	1,000	500
Total	167,553	133,378	34,175
Total Culture & Recreation	964,110	863,530	100,580
Urban & Economic Development:			
Economic Development:			
Other Services and Charges	112,400	37,857	74,543
Capital Outlay	845,000	634,555	210,445
Total	957,400	672,412	284,988
TVA Lieu:			
Capital Outlay	10,000	-	10,000
Total	10,000	-	10,000
Total Urban & Economic Development	967,400	672,412	294,988
Total Expenditures	7,445,599	6,309,158	1,136,441

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2015

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ (793,905)	\$ 310,318	\$ 1,104,223
Other Financing Sources (Uses):			
Proceeds from Issuance of Debt	-	150,000	150,000
Proceeds from Sale of Capital Assets	2,000	36,643	34,643
Transfers (to) From Other Funds	(245,060)	(136,063)	108,997
Lease Payments	118,857	49,400	(69,457)
Total Other Financing Sources (Uses)	(124,203)	99,980	224,183
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(918,108)	410,298	1,328,406
Fund Balance:			
October 1, as previously stated	2,171,740	2,171,740	-
Prior Period Adjustment	82,574	82,574	82,574
October 1, as restated	2,254,314	2,254,314	82,574
(Non-GAAP Budgetary Basis) September 30,	\$ 1,336,206	2,664,612	\$ 1,410,980
Adjustments to GAAP Basis:			
Accrued Revenue		48,278	
Fund Balance (GAAP) September 30,		\$ 2,712,890	

**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2015**

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	TOTALS 2015	TOTALS 2014
<u>ASSETS:</u>					
Cash	\$ 150,567	\$ 13,985	\$ -	\$ 164,552	\$ 140,157
Money Market, CD's	139,701	-	16,125	155,826	155,670
Notes Receivable	-	-	1,223	1,223	1,223
Total Assets	<u>290,268</u>	<u>13,985</u>	<u>17,348</u>	<u>321,601</u>	<u>297,050</u>
<u>LIABILITIES:</u>					
Accounts Payable	3,427	-	-	3,427	1,489
Total Liabilities	<u>3,427</u>	<u>-</u>	<u>-</u>	<u>3,427</u>	<u>1,489</u>
<u>FUND BALANCE:</u>					
Restricted	<u>286,841</u>	<u>13,985</u>	<u>17,348</u>	<u>318,174</u>	<u>295,561</u>
Total Liabilities and Fund Balance	<u>\$ 290,268</u>	<u>\$ 13,985</u>	<u>\$ 17,348</u>	<u>\$ 321,601</u>	<u>\$ 297,050</u>

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended September 30, 2015

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	TOTALS 2015	TOTALS 2014
REVENUES:					
Intergovernmental	\$ 39,808	\$ -	\$ -	\$ 39,808	\$ 39,870
Interest	139	-	16	155	200
Other	-	500	-	500	1,100
Total Revenues	<u>39,947</u>	<u>500</u>	<u>16</u>	<u>40,463</u>	<u>41,170</u>
EXPENDITURES:					
Supplies	9,538	-	-	9,538	2,930
Other Services and Charges	-	-	-	-	-
Capital Outlay	8,312	-	-	8,312	17,460
Total Expenditures	<u>17,850</u>	<u>-</u>	<u>-</u>	<u>17,850</u>	<u>20,390</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,097	500	16	22,613	20,780
OTHER SOURCES (USES):					
Transfers from (to) Other Funds	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	22,097	500	16	22,613	20,780
Fund Balance - October 1,	<u>264,744</u>	<u>13,485</u>	<u>17,332</u>	<u>295,561</u>	<u>274,781</u>
Fund Balance - September 30,	<u>\$ 286,841</u>	<u>\$ 13,985</u>	<u>\$ 17,348</u>	<u>\$ 318,174</u>	<u>\$ 295,561</u>

CITY OF AMORY, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/15			F.Y.E. 9/30/14
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES:				
Intergovernmental	\$ 37,000	\$ 39,808	\$ 2,808	\$ 39,870
Interest	125	155	30	200
Other	-	500	500	1,100
TOTAL REVENUES	37,125	40,463	3,338	41,170
EXPENDITURES:				
Supplies	14,500	9,538	4,962	2,930
Other Services and Charges	2,000	-	2,000	-
Capital Outlay	16,000	8,312	7,688	17,460
TOTAL EXPENDITURES	32,500	17,850	14,650	20,390
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,625	22,613	17,988	20,780
OTHER FINANCING SOURCES (USES):				
Transfers to/from Other Funds	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	4,625	22,613	17,988	20,780
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	295,561	295,561	-	274,781
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 300,186	\$ 318,174	\$ 17,988	\$ 295,561
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ 318,174		\$ 295,561

**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2015**

	STREET IMPROVEMENT FUND	TOTALS 2015	TOTALS 2014
<u>ASSETS:</u>			
Cash	\$ 1,456,325	\$ 1,456,325	\$ -
Money Market, CD's	-	-	-
Other Receivable	-	-	-
Total Assets	<u>1,456,325</u>	<u>1,456,325</u>	<u>-</u>
<u>LIABILITIES:</u>			
Accounts Payable	-	-	-
Total Liabilities	-	-	-
<u>FUND BALANCE:</u>			
Restricted	<u>1,456,325</u>	<u>1,456,325</u>	<u>-</u>
Total Liabilities and Fund Balance	\$ <u>1,456,325</u>	\$ <u>1,456,325</u>	\$ <u>-</u>

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
Year Ended September 30, 2015

	STREET IMPROVEMENT FUND	TOTALS 2015	TOTALS 2014
<u>REVENUES:</u>			
Grant Income	\$ -	\$ -	\$ 229,108
Interest	-	-	-
Other	-	-	-
Total Revenues	-	-	229,108
<u>EXPENDITURES:</u>			
Supplies	-	-	-
Other Services and Charges	43,675	43,675	-
Capital Outlay	-	-	231,423
Total Expenditures	43,675	43,675	231,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,675)	(43,675)	(2,315)
<u>OTHER SOURCES (USES):</u>			
Proceeds from Issuance of Debt	1,500,000	1,500,000	-
Transfers from (to) Other Funds	-	-	2,430
Total Other Sources (Uses)	1,500,000	1,500,000	2,430
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	1,456,325	1,456,325	115
Fund Balance - October 1,	-	-	(115)
Fund Balance - September 30,	\$ 1,456,325	\$ 1,456,325	\$ -

CITY OF AMORY, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL NON-MAJOR CAPITAL PROJECTS FUNDS
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/15			F.Y.E. 9/30/14 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES:				
Grant Income	\$ -	\$ -	\$ -	\$ 229,108
Interest	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES	-	-	-	229,108
EXPENDITURES:				
Supplies	-	-	-	-
Other Services and Charges	44,000	43,675	325	-
Capital Outlay	-	-	-	231,423
TOTAL EXPENDITURES	44,000	43,675	325	231,423
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,000)	(43,675)	325	(2,315)
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	1,500,000	1,500,000	-	-
Transfers to/from Other Funds	-	-	-	2,430
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	1,456,000	1,456,325	325	115
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	-	-	-	(115)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>1,456,000</u>	\$ 1,456,325	\$ <u>325</u>	\$ -
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>1,456,325</u>		\$ <u>-</u>

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2015

	BUSINESS-TYPE ACTIVITIES--			
	PROPRIETARY FUND			
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<hr/>				
<u>ASSETS:</u>				
<u>Current Assets:</u>				
Cash	\$ 59,365	\$ 2,197,210	\$ 206,342	\$ 2,462,917
Money Market, CD's	126,725	616,153	111,661	854,539
Accounts Receivables, net	119,275	2,076,922	254,326	2,450,523
Due from Other Funds	73,078	491,273	75,654	640,005
Inventories	-	308,564	71,266	379,830
Prepaid Expenses	-	7,574	4,967	12,541
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	378,443	5,697,696	724,216	6,800,355
<hr/>				
<u>Noncurrent Assets:</u>				
Restricted Assets:				
Due From Home Owner For				
Conservation Loans	-	154,456	-	154,456
Nonutility Property, net	-	291,793	-	291,793
Capital Assets:				
Land	-	106,483	125,196	231,679
Buildings	112,539	331,094	246,984	690,617
Improvements Other Than Building	-	15,808,089	14,174,791	29,982,880
Machinery & Equipment	778,743	1,358,637	1,165,056	3,302,436
Accumulated Depreciation	(704,705)	(8,664,728)	(7,281,974)	(16,651,407)
Construction Work In Progress	-	357,065	680,212	1,037,277
	<hr/>	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	186,577	9,742,889	9,110,265	19,039,731
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 565,020	\$ 15,440,585	\$ 9,834,481	\$ 25,840,086
<hr/>				
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 114,349	\$ 172,165	\$ 251,604	\$ 538,118
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	\$ 114,349	\$ 172,165	\$ 251,604	\$ 538,118
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2015

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 59,963	\$ 1,555,233	\$ 77,129	\$ 1,692,325
Compensated Absences	9,242	37,851	19,340	66,433
Due to Other Funds	-	26,814	484,354	511,168
Long-Term Debt Due Within One Year	25,585	75,000	-	100,585
Deferred Credits	-	-	347	347
Customer Deposits	-	797,260	7,709	804,969
Total Current Liabilities	94,790	2,492,158	588,879	3,175,827
<u>Long-Term Liabilities:</u>				
Net Pension Liability	657,012	1,820,725	1,445,637	3,923,374
Long-Term Debt Due in More than One Year	26,097	855,000	-	881,097
Advances from Others- TVA	-	159,987	-	159,987
Total Long-Term Liabilities	683,109	2,835,712	1,445,637	4,964,458
Total Liabilities	\$ 777,899	\$ 5,327,870	\$ 2,034,516	\$ 8,140,285
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 34,393	\$ 263,928	\$ 75,675	\$ 373,996
Total Deferred Inflows of Resources	\$ 34,393	\$ 263,928	\$ 75,675	\$ 373,996
<u>Net Position</u>				
Net Investment in Capital Assets	134,895	8,366,640	9,110,265	17,611,800
Restricted for:				
Debt Service	-	160,553	-	160,553
Unrestricted	(267,818)	1,493,759	(1,134,371)	91,570
Total Net Position	\$ (132,923)	\$ 10,020,952	\$ 7,975,894	\$ 17,863,923

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2015

	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 856,527	\$ 13,841,604	\$ 1,733,042	\$ 16,431,173
Total Operating Revenue	856,527	13,841,604	1,733,042	16,431,173
<u>OPERATING EXPENSES:</u>				
Operations	840,169	11,717,905	1,359,303	13,917,377
Maintenance	15,712	401,645	397,816	815,173
Depreciation	33,813	584,475	393,379	1,011,667
Taxes	-	771,108	41,125	812,233
Total Operating Expenses	889,694	13,475,133	2,191,623	16,556,450
Net Operating Income (Loss)	(33,167)	366,471	(458,581)	(125,277)
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	127	1,866	113	2,106
Gain (Loss) on Sale of Equipment	18,395	-	-	18,395
Miscellaneous Income (Expense)	-	-	(1,130)	(1,130)
Interest Expense	(1,892)	(41,723)	-	(43,615)
Total Non-Operating Income (Loss)	16,630	(39,857)	(1,017)	(24,244)
<u>INCOME BEFORE OPERATING TRANSFERS:</u>				
Operating Transfers In (Out)	(16,537)	326,614	(459,598)	(149,521)
Change in Net Position	(16,537)	326,614	(459,598)	(149,521)
Total Net Position - Beginning of Year, As Previously Stated	404,206	11,631,260	9,580,962	21,616,428
Net Adjustment for Prior Year Pension Expense	(520,592)	(1,936,922)	(1,145,470)	(3,602,984)
Total Net Position - Beginning of Year, As Restated	(116,386)	9,694,338	8,435,492	18,013,444
Total Net Position - Ending	\$ (132,923)	\$ 10,020,952	\$ 7,975,894	\$ 17,863,923

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2015

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			TOTALS
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 13,809,284	\$ 1,696,901	\$ 849,115	\$ 16,355,300
Payments to Suppliers	(9,720,080)	(996,254)	(402,958)	(11,119,292)
Payments to Employees	(1,323,628)	(568,623)	(368,505)	(2,260,756)
Payments for Other Services and Charges	(1,016,298)	-	-	(1,016,298)
Other Receipts (Payments)	(681,289)	(122,738)	-	(804,027)
Net Cash Provided (Used) In Operating Activities	<u>1,067,989</u>	<u>9,286</u>	<u>77,652</u>	<u>1,154,927</u>
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	11,631	-	11,631
Due From Other Funds	(78,748)	-	(1,806)	(80,554)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(78,748)</u>	<u>11,631</u>	<u>(1,806)</u>	<u>(68,923)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(833,093)	(128,759)	(880)	(962,732)
Gain (Loss) on Sale of Equipment	-	-	19,250	19,250
Principal Paid on Capital Debt	(70,000)	-	(24,911)	(94,911)
Interest Paid on Capital Debt	(41,694)	-	(1,892)	(43,586)
Other Receipts (Payments)	(34,769)	(1,129)	-	(35,898)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(979,556)</u>	<u>(129,888)</u>	<u>(8,433)</u>	<u>(1,117,877)</u>
Cash Flows from Investing Activities:				
Interest and Dividends	1,748	113	127	1,988
Other Receipts (Payments)	(43,794)	-	-	(43,794)
Net Cash Provided By (Used In) Investing Activities	<u>(42,046)</u>	<u>113</u>	<u>127</u>	<u>(41,806)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(32,361)	(108,858)	67,540	(73,679)
Cash and Cash Equivalents--Beginning	<u>2,845,724</u>	<u>426,861</u>	<u>118,550</u>	<u>3,391,135</u>
Cash and Cash Equivalents--Ending	<u>\$ 2,813,363</u>	<u>\$ 318,003</u>	<u>\$ 186,090</u>	<u>\$ 3,317,456</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 366,471	\$ (458,581)	\$ (33,167)	\$ (125,277)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	584,475	393,379	33,813	1,011,667
Net Pension Expense	(24,434)	124,238	56,464	156,268
(Increase) Decrease in Accounts Receivable	(37,510)	(36,086)	(7,412)	(81,008)
(Increase) Decrease in Deferred Credits	-	215	-	215
(Increase) Decrease in Prepaid Items	2,186	571	-	2,757
(Increase) Decrease in Inventory	27,481	(8,879)	-	18,602
Increase (Decrease) in Accounts Payable	135,555	(7,777)	26,107	153,885
Increase (Decrease) in Accrued Liabilities	5,028	2,261	1,847	9,136
Increase (Decrease) in Customer Deposits	8,737	(55)	-	8,682
Increase (Decrease) in Deferred Revenue	-	-	-	-
Total Adjustments	<u>701,518</u>	<u>467,867</u>	<u>110,819</u>	<u>1,280,204</u>
Net Cash Provided (Used) In Operating Activities	<u>\$ 1,067,989</u>	<u>\$ 9,286</u>	<u>\$ 77,652</u>	<u>\$ 1,154,927</u>

**CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
September 30, 2015 and 2014**

		<u>TOTALS</u>	
		2015	2014
<u>ASSETS:</u>			
Cash	\$	4,304	\$ 4,298
Money Market, CD's		<u>26,246</u>	<u>26,220</u>
Total Assets	\$	<u><u>30,550</u></u>	\$ <u><u>30,518</u></u>
<u>LIABILITIES</u>			
Accounts Payable		<u>971</u>	<u>971</u>
Total Liabilities		<u>971</u>	<u>971</u>
<u>FUND BALANCE:</u>			
Committed	\$	<u>29,579</u>	\$ <u>29,547</u>
Total Liabilities and Fund Balance	\$	<u><u>30,550</u></u>	\$ <u><u>30,518</u></u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
Years Ended September 30, 2015 and 2014

	PUBLIC IMPROVEMENTS	TOTALS	
		2015	2014
<u>REVENUE:</u>			
Taxes	\$ 6	\$ 6	\$ 103
Interest	<u>26</u>	<u>26</u>	<u>32</u>
Total Revenue	<u>32</u>	<u>32</u>	<u>135</u>
<u>EXPENDITURES:</u>			
Notes Retired	127,966	127,966	126,021
Interest Paid	<u>8,097</u>	<u>8,097</u>	<u>13,395</u>
Total Expenditures	<u>136,063</u>	<u>136,063</u>	<u>139,416</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(136,031)</u>	<u>(136,031)</u>	<u>(139,281)</u>
<u>OTHER FINANCING SOURCES(USES):</u>			
Transfers from Other Funds	<u>136,063</u>	<u>136,063</u>	<u>139,416</u>
Total Other Financing Sources(Uses)	<u>136,063</u>	<u>136,063</u>	<u>139,416</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures and Other Sources	32	32	135
Fund Balance - October 1,	<u>29,547</u>	<u>29,547</u>	<u>29,412</u>
Fund Balance - September 30,	\$ <u><u>29,579</u></u>	\$ <u><u>29,579</u></u>	\$ <u><u>29,547</u></u>

CITY OF AMORY, MISSISSIPPI
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	FYE 9/30/15			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/14 Actual
REVENUES:				
Taxes	\$ -	\$ 6	\$ 6	\$ 103
Interest	-	26	26	32
TOTAL REVENUES	-	32	6	135
EXPENDITURES:				
Notes Retired	131,101	127,966	3,135	126,021
Interest Paid	5,287	8,097	(2,810)	13,395
TOTAL EXPENDITURES	136,388	136,063	325	139,416
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(136,388)	(136,031)	331	(139,281)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	139,420	136,063	(3,357)	139,416
TOTAL OTHER FINANCING SOURCES (USES)	139,420	136,063	(3,357)	139,416
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	3,032	32	(3,026)	135
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	29,547	29,547	-	29,412
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>32,579</u>	\$ 29,579	\$ <u>(3,026)</u>	\$ 29,547
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>29,579</u>		\$ <u>29,547</u>

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended September 30, 2015

	<u>2015</u>
A. Amory's proportion of net pension liability (%)	0.0710%
B. Amory's proportionate share of net pension liability	\$10,452,243
C. Amory's covered employee payroll	\$4,281,305
D. Amory's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	244.14%
E. Plan fiduciary net position as a percentage of total pension liability	61.70%

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
A. Statutorily required contributions	\$674,305	\$670,590
B. Contributions in relation to statutorily required contributions	\$674,305	\$670,590
C. Contribution deficiency (excess)	\$0	\$0
D. Amory's covered employee payroll	\$4,281,305	\$4,257,717
E. Contributions as a percentage of covered employee payroll	15.75%	15.75%

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2015

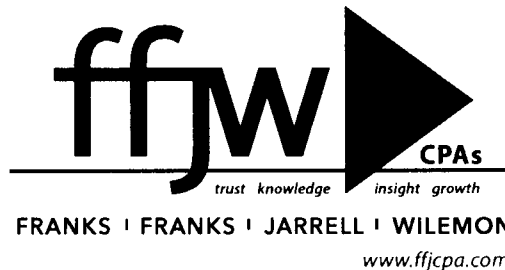
NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
Judy Tyree	Court	GCM Insurance	\$50,000	6/11/2016
Russell Butler	Zoning	GCM Insurance	\$50,000	6/11/2016
Angie Whitlock	Zoning/Planning	GCM Insurance	\$50,000	7/5/2016
Rose Morgan	Finance	GCM Insurance	\$50,000	7/1/2016
Sandra Crook	Finance/Taxes	GCM Insurance	\$50,000	7/1/2016
Jamie E. Morgan	Finance/AP	GCM Insurance	\$50,000	4/4/2016
Susan Hughes	Finance	GCM Insurance	\$50,000	1/1/2016
Natasha Pack	Dispatcher	GCM Insurance	\$50,000	12/22/2015
Martha Reeves	Admin PD	GCM Insurance	\$50,000	6/1/2016
Karin Beth Hughes	Dispatcher	GCM Insurance	\$50,000	12/22/2015
Jennifer Wise	Patrol Officer	GCM Insurance	\$50,000	7/1/2016
Catherine Ligon Houston	Dispatcher	GCM Insurance	\$50,000	7/1/2016
Patricia Gleghorn	Dispatcher	GCM Insurance	\$50,000	3/29/2016
Eric Wiginton	Patrol Officer	GCM Insurance	\$50,000	7/17/2016
Nicholaus L. Weaver	Patrol Officer	GCM Insurance	\$50,000	7/17/2016
Bradley N. Taylor	Patrol Officer	GCM Insurance	\$50,000	7/17/2016
Tracie Carol Poole	Dispatcher	GCM Insurance	\$50,000	12/22/2015
Jamica Stalling	P&R	GCM Insurance	\$50,000	11/17/2015
Angela D. Westbrook	P&R	GCM Insurance	\$50,000	11/30/2015
Rory Owen Thornton	P&R Admin	GCM Insurance	\$50,000	12/16/2015
Linda Adams	Utilities	FCCI Insurance Group	\$50,000	7/23/2016
Debra L. Harris	Utilities	FCCI Insurance Group	\$50,000	6/11/2016
Molliye Walsh	Utilities	FCCI Insurance Group	\$50,000	6/11/2016
Amy G. McCarley	Utilities	FCCI Insurance Group	\$50,000	6/11/2016
Debra Kay Coleman	Utilities	FCCI Insurance Group	\$50,000	6/8/2016
Dana Baxter	Utilities	FCCI Insurance Group	\$50,000	6/11/2016
Michael P. King	Public Works Utilities Director	FCCI Insurance Group	\$50,000	4/6/2016
Ronnie Bowen	Police Chief	C.N.A. Surety	\$50,000	7/5/2016
Holman Lee Barnett	City Clerk/Tax Collector	Clyde C Scott Insurance	\$200,000	7/21/2016
Brad Blalock	Mayor	Clyde C Scott Insurance	\$100,000	7/1/2016
Tyrone James	Alderman	Clyde C Scott Insurance	\$100,000	7/1/2016
Buddy Carlsile	Alderman	Clyde C Scott Insurance	\$100,000	7/1/2016
John Darden	Alderman	Clyde C Scott Insurance	\$100,000	7/1/2016
Tony Poss	Alderman	Clyde C Scott Insurance	\$100,000	7/1/2016
Glen R. Bingham	Alderman	Clyde C Scott Insurance	\$100,000	7/1/2016

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2015

	INTEREST RATE	BALANCE 9-30-14	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-15	CURRENT MATURITIES
<u>LONG-TERM DEBT:</u>						
<u>Governmental Funds</u>						
General Obligations:						
Series 2015	2.250 -3.200%	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 30,000
Total General Obligation Bonds		0	1,500,000	0	1,500,000	30,000
Other Long-Term Debt:						
CAP Loan - State of Mississippi	3.00%	115,044	0	(35,242)	79,802	42,722
Freight Rail Revolving Loan	3.75%	66,481	0	(9,284)	57,197	9,614
Port Revitalization Loan	3.00%	22,763	0	(22,763)	0	0
Promissory Note	4.90%	60,677	0	(60,677)	0	0
Promissory Note-TRPDD	2.00%	0	150,000	0	150,000	74,251
		264,965	150,000	(127,966)	286,999	126,587
Total Governmental Funds		264,965	1,650,000	(127,966)	1,786,999	156,587
<u>Proprietary Fund Types Debt</u>						
Other Long-Term Debt:						
Revenue Bonds Series 2005	4.42%	1,000,000	0	(70,000)	930,000	75,000
Equipment Lease	2.47%	76,593	0	(24,911)	51,682	25,585
Total Proprietary Fund Type Debt		1,076,593	0	(94,911)	981,682	100,585
Total Long-Term Debt		\$ 1,341,558	\$ 1,650,000	\$ (222,877)	\$ 2,768,681	\$ 257,172

P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



Partners
Gary Franks, CPA
Greg Jarrell, CPA
Bryon Wilemon, CPA
Jonathan Hagood, CPA
Rudolph Franks, CPA (emeritus)

**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 Mayor and Board of Aldermen
City of Amory, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Amory, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Amory, Mississippi's basic financial statements and have issued our report thereon dated February 29, 2016

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Amory, Mississippi'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 City of Amory, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Amory, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as 2015-01 to be a material weakness.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Amory, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying schedule of findings and responses as 2015-01.

City of Amory, Mississippi's Response to Findings

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

Purpose of this Report

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

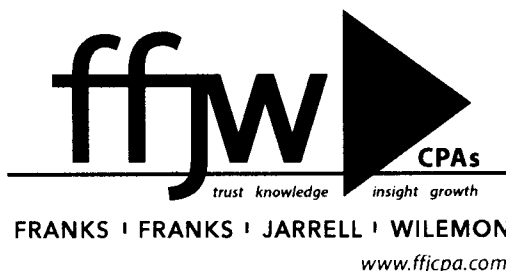
Franks, Franks, Jarrell & Wilemon, P.A.

Franks, Franks, Jarrell & Wilemon, P.A.

February 29, 2016

P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



Partners
Gary Franks, CPA
Greg Jarrell, CPA
Bryon Wilemon, CPA
Jonathan Hagood, CPA
Rudolph Franks, CPA (emeritus)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
City of Amory, Mississippi

We have audited the general purpose financial statements of City of Amory, Mississippi as of and for the year ended September 30, 2015 and have issued our report dated February 29, 2016. We have 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*.

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

The results of those procedures and our audit of the general purpose financial statements disclosed one material instance of noncompliance with state laws and regulations as reported in Finding No. 2015-01.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Franks, Franks, Jarrell & Wilemon, P.A.

FRANKS, FRANKS, JARRELL & WILEMON, P.A.

February 29, 2016

**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
September 30, 2015**

SECTION 2 – FINANCIAL STATEMENT FINDINGS:

FINDING NO. 2015-01 (material weakness, noncompliance)

Criteria: The City is required, by state statutes, to prepare a budget for all funds of the City and to monitor and modify the budget as necessary to ensure all expenditures are within the budgeted amounts. Also, Section 21-35-13, Mississippi Code Ann. (1972), requires the City Clerk to prepare a budget report to be presented to the governing authority at the regular meeting each month.

Cause of Condition: The City had one budget overage in an expenditure category for the year ended September 30, 2015.

Recommendation: The City should ensure that all expenditures are within the final amended budget amounts.

Response: The City will take steps necessary to ensure that budgets are amended prior to budget overages occurring.

* Finding 2015-01 is considered a material weakness and noncompliance finding.