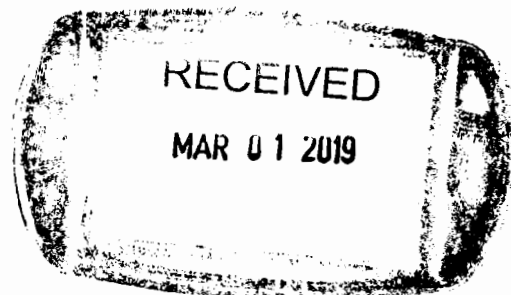




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FINANCIAL STATEMENTS
CITY OF AMORY, MISSISSIPPI
Year Ended September 30, 2017



Franks, Franks, Jarrell & Wilemon, P.A.
Certified Public Accountants

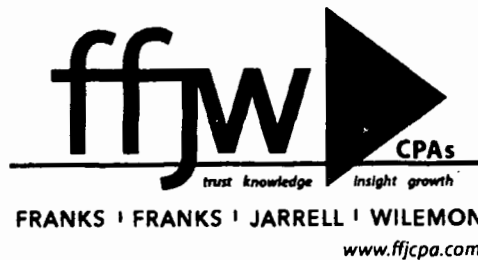
CITY OF AMORY, MISSISSIPPI

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
<u>BASIC FINANCIAL STATEMENTS:</u>	
Statement of Net Position	14
Statement of Activities	16
Balance Sheet – Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund- Balances to the Statement of Activities	20
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual - Budgetary Basis	21
Statement of Net Position- Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Notes to Financial Statements	26
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedule of the City's Proportionate Share of the Net Pension Liability	48
Schedule of the City's Contributions	49
Notes to the Required Supplementary Information	50
<u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</u>	
Combining Balance Sheet Non-Major Governmental Funds	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non-Major Governmental Funds	52
Comparative Balance Sheet - General Fund	53
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	54
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - Budgetary Basis	60
Combining Balance Sheet - Special Revenue Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	67
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – All Special Revenue Funds - Budgetary Basis	68
Combining Balance Sheet – Capital Projects Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds	70
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – All Capital Projects Funds - Budgetary Basis	71
Comparative Balance Sheets - Debt Service Fund	72
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund	73
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund- Budgetary Basis	74
Combining Statement of Net Position - Proprietary Fund Types	75
Combining Statement of Revenues, Expenses and Changes in Fund Net Position- Proprietary Fund Types	77
Combining Statement of Cash Flows - Proprietary Fund Types	78
<u>OTHER SUPPLEMENTAL INFORMATION:</u>	
Schedule of Surety Bonds for Municipal Officials	79
Schedule of Long-Term Debt	80
Schedule of Funds Received from the Mississippi Library Commission	81
<u>OTHER REPORTS:</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	82
Independent Auditors' Report on Compliance with State Laws and Regulations	84
Schedule of Findings and Responses	85

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amory, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amory, Mississippi, as of September 30, 2016, 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.

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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 48, and the schedule of the City's contributions on page 49 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, 2016 and ending June 30, 2017.

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 combining and individual nonmajor fund financial statements and schedules, the schedule of surety bonds for municipal officials, the schedule of long-term debt and the schedule of funds received from the Mississippi Library Commission 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 and schedules, the schedule of surety bonds for municipal officials, the schedule of long-term debt and the schedule of funds received from the Mississippi Library Commission 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 and schedules, the schedule of surety bonds for municipal officials, the schedule of long-term debt and the schedule of funds received from the Mississippi Library Commission 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 March 20, 2018 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.

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

Franks, Franks, Jarrell & Wilemon, P.A.
Tupelo, Mississippi
March 20, 2018

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CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information for the Year ended September 30, 2017

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, 2017. 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 \$27,345,440. This compares to the previous year when assets exceeded liabilities by \$27,738,699.
- As of the close of the current fiscal year, the City of Amory governmental funds reported combined ending fund balances of \$3,953,575, an increase of \$123,180 in comparison to the prior year. Approximately 74% of the combined fund balances, \$2,924,433 is considered unassigned and is available for spending at the City of Amory discretion.
- The City of Amory's total debt is \$2,386,356. New debt of \$153,764 was issued in the current fiscal year. Debt in the amount of \$252,620 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 \$27,345,440 at the close of the most recent fiscal year.

A large portion, 113%, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets:	\$ 4,748,523	\$ 4,738,550	\$ 6,769,835	\$ 6,999,450	\$11,518,358	\$ 11,738,000
Capital Assets	14,508,141	14,310,944	19,047,511	18,683,043	33,555,652	32,993,987
Total Assets	19,256,664	19,049,494	25,817,346	25,682,493	45,074,010	44,731,987
Deferred Outflows:	368,062	1,241,725	754,290	680,421	1,122,352	1,922,146
Total Deferred Outflows	368,062	1,241,725	754,290	680,421	1,122,352	1,922,146
Current and Other Liabilities:	723,054	941,460	3,147,358	3,156,881	3,870,412	4,098,341
Long-Term Liabilities	8,460,071	9,275,681	5,890,886	5,166,474	14,350,957	14,442,155
Total Liabilities	9,183,125	10,217,141	9,038,244	8,323,355	18,221,369	18,540,496
Deferred Inflows:	472,435	257,793	157,118	117,145	629,553	374,938
Total Deferred Inflows	472,435	257,793	157,118	117,145	629,553	374,938
Net Position:						
Net Investment in						
Capital Assets	13,030,570	12,680,732	17,758,119	17,428,096	30,788,689	30,108,828
Restricted	447,863	646,372	161,422	161,027	609,285	807,399
Unrestricted (Deficit)	(3,509,267)	(3,510,819)	(543,267)	333,291	(4,052,534)	(3,177,528)
Total Net Position	\$ 9,969,166	\$ 9,816,285	\$17,376,274	\$ 17,922,414	\$27,345,440	\$ 27,738,699

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 deficit of our business-type activities were (\$543,267) 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 9.97 percent of the City of Amory's revenue comes from property taxes, with 24.79 percent of all revenue coming from some type of tax. (See Table A-2.) Another 72.11 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 559,314	\$ 456,939	\$ 16,651,969	\$ 16,404,591	\$17,211,283	\$16,861,530
Operating Grants & Contributions	8,273	15,334		0	8,273	15,334
Capital Grants & Contributions	87,483	135,068		0	87,483	135,068
General Revenues:						
Property Taxes	2,380,012	2,278,485		0	2,380,012	2,278,485
Other Taxes	3,537,462	3,486,800		0	3,537,462	3,486,800
Intergovernmental Revenues	590,930	303,686		0	590,930	303,686
Investment Income	8,741	3,657	2,545	2,525	11,286	6,182
Other	<u>38,537</u>	<u>(80,152)</u>	<u>2,250</u>	<u>68,369</u>	<u>40,787</u>	<u>148,521</u>
Total Revenues	7,210,752	6,760,121	16,656,764	16,475,485	23,867,516	23,235,606
Expenses						
General Government	1,135,017	1,247,252		0	1,135,017	1,247,252
Public Safety	3,106,438	3,611,238		0	3,106,438	3,611,238
Public Works	1,478,954	2,474,985		0	1,478,954	2,474,985
Urban & Economic Development	163,413	180,150		0	163,413	180,150
Culture & Recreation	1,127,397	1,175,645		0	1,127,397	1,175,645
Water & Sewer	0	0	2,621,634	1,956,022	2,621,634	1,956,022
Electric	0	0	13,680,674	13,414,638	13,680,674	13,414,638
Solid Waste Management	0	0	900,596	1,046,334	900,596	1,046,334
Interest on Long-Term Debt	<u>46,652</u>	<u>47,924</u>	<u>0</u>	<u>0</u>	<u>46,652</u>	<u>47,924</u>
Total Expenses	<u>7,057,871</u>	<u>8,737,194</u>	<u>17,202,904</u>	<u>16,416,994</u>	<u>24,260,775</u>	<u>25,154,188</u>
Excess of Revenue Over Expenses	(152,881)	(1,977,073)	(546,140)	58,491	(393,259)	(1,918,582)
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>152,881</u>	<u>(1,977,073)</u>	<u>(546,140)</u>	<u>58,491</u>	<u>(393,259)</u>	<u>(1,918,582)</u>
Net Position—Beginning	9,816,285	11,793,358	17,922,414	17,863,923	27,738,699	29,657,281
Net Position—Ending	<u>\$ 9,969,166</u>	<u>\$ 9,816,385</u>	<u>\$ 17,376,274</u>	<u>\$ 17,922,414</u>	<u>\$27,345,440</u>	<u>\$ 27,738,699</u>

Governmental Activities

Governmental activities increased the City's net position by \$152,881, thereby accounting for 0% of the total decrease in the net position of the City. Key elements of this increase are as follows:

The largest funding sources for the City's governmental activities, as a percent of total revenues, are other taxes (49%), property taxes (33%), and charges for services (8%).

The largest expense category for the City's governmental activities are public safety (44%), public

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

works (21%), and general government (16%).

Business-type Activities

Business-type activities decreased the City's net position by (\$546,140), accounting for 100 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 \$1,841,970 for water and sewer, \$13,939,405 for electric, and \$870,594 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 \$2,995,794, which comprised 84 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 54% of total fund expenditures. The fund balance of the City's general fund increased by \$406,743 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund deficit of (\$71,361), all of which is committed for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$85,054.

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 \$217,408, 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 \$230,455. The net decrease in fund balance during the current year in capital projects fund was \$74,888.

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 \$17,376,274. Changes in net position, which totaled a decrease of \$546,140, were as follows: the electric fund increased by \$260,765, the water & sewer fund decreased by \$779,553, and the solid waste management fund decreased by \$27,352.

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.

CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's 2016 - 17 general fund operating budget increased by approximately \$196,596 during the current fiscal year. This increase was primarily related to increases in police and street department personnel services and other services & charges 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, 2017, amounted to \$33,175,045, net of accumulated depreciation of \$33,553,664. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,288,571	\$ 1,243,571	\$ 231,678	\$ 231,679	\$ 1,520,249	\$ 1,475,250
Buildings	5,682,684	5,682,684	701,566	706,491	6,384,250	6,389,175
Improvements (other than buildings)	5,922,417	5,738,157	31,209,398	30,768,858	37,131,815	36,507,015
Machinery & Equipment	3,391,407	3,186,123	2,907,520	2,907,520	6,770,772	6,093,643
Infrastructure	13,526,244	13,526,244	0	0	13,526,244	13,526,244
Construction-in-progress	333,470	58,782	1,061,909	728,921	1,395,379	787,703
Accumulated Depreciation	(15,636,652)	(15,124,617)	(17,917,012)	(17,060,373)	(33,553,664)	(32,184,990)
Total	\$ 14,508,141	\$ 14,310,944	\$ 18,666,904	\$ 18,283,096	\$ 33,175,045	\$ 32,594,040

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the city had \$2,386,356 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 Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General Obligation Bonds	\$ 1,440,000	\$ 1,470,000	\$ 0	\$ 0	\$ 1,440,000	\$ 1,470,000
Revenue Bonds	0	0	780,000	855,000	780,000	855,000
CAP Loans	0	36,928	0	0	0	36,928
Promissory Notes	37,571	123,284	128,785	0	166,356	123,284
Total	<u>\$ 1,477,571</u>	<u>\$ 1,630,212</u>	<u>\$ 908,785</u>	<u>\$ 855,000</u>	<u>\$ 2,386,356</u>	<u>\$ 2,485,212</u>

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 2018 budget. The total budgeted appropriations for the City operations in the general fund are \$7,548,535. This budget reflects an increase of approximately \$220,000 over the prior year budget.

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.

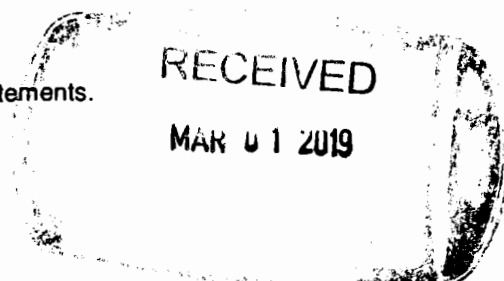
CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash on Deposit	\$ 3,571,236	\$ 2,248,425	\$ 5,819,661
Money Market, CD's	595,909	855,689	1,451,598
Accounts Receivable, Net	-	2,393,853	2,393,853
Court Fines Receivable, Net	143,504	-	143,504
Property Taxes Receivable	92,018	-	92,018
Other Receivables	33,982	-	33,982
Notes Receivable	1,223	-	1,223
Lease Payments Receivable	-	-	-
Due From Other Funds	94,590	665,211	759,801
Due From Other Governments	215,710	-	215,710
Accrued Interest	351	-	351
Prepaid Expenses	-	34,075	34,075
Inventories	-	570,600	570,600
Deferred Debits	-	1,982	1,982
Notes Receivable	-	88,814	88,814
Nonutility Property, net	-	291,793	291,793
Capital Assets:			
Land	1,288,571	231,678	1,520,249
Improvements Other than Buildings	5,922,417	31,209,398	37,131,815
Plant, Buildings and Improvements	5,682,684	701,566	6,384,250
Machinery and Equipment	3,391,407	3,379,365	6,770,772
Infrastructure	13,526,244	-	13,526,244
Construction in Progress	333,470	1,061,909	1,395,379
Accumulated Depreciation	(15,636,652)	(17,917,012)	(33,553,664)
TOTAL ASSETS	\$ 19,256,664	\$ 25,817,346	\$ 45,074,010
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 368,062	\$ 754,290	\$ 1,122,352
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 368,062	\$ 754,290	\$ 1,122,352

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Checks Issued in Excess of Cash Deposits	\$ 96,785	\$ -	\$ 96,785
Accounts Payable and Accrued Expenses	308,727	1,493,075	1,801,802
Due to Other Funds	838	513,551	514,389
Due to Other Industries	-	-	-
Unearned Revenue	153,076	-	153,076
Long-Term Liabilities, Due Within one Year			
General Obligation Bonds	30,000	-	30,000
Revenue Bonds	-	80,000	80,000
Notes Payable	10,362	50,728	61,090
Long-Term Liabilities, Due in More Than one Year			
General Obligation Bonds	1,410,000	-	1,410,000
Revenue Bonds	-	700,000	700,000
Notes Payable	27,209	78,057	105,266
Net Pension Liability	7,022,862	5,018,399	12,041,261
Customer Deposits	-	935,308	935,308
Accrued Compensated Absences	123,266	74,696	197,962
Dererred Credits	-	-	-
Advances TVA - Home Insulation Loans	-	94,430	94,430
TOTAL LIABILITIES	9,183,125	9,038,244	18,221,369
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 472,435	\$ 157,118	\$ 629,553
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 472,435	\$ 157,118	\$ 629,553
<u>NET POSITION</u>			
Net Investment in Capital Assets	13,030,570	17,758,119	30,788,689
Restricted for:			
Debt Service	-	161,422	161,422
Capital Projects	230,455	-	230,455
Special Revenue	217,408	-	217,408
Unrestricted (Deficit)	(3,509,267)	(543,267)	(4,052,534)
TOTAL NET POSITION	\$ 9,969,166	\$ 17,376,274	\$ 27,345,440

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



CITY OF AMORY, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	PRIMARY GOVERNMENT		
						Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT								
Government Activities:								
General Government	\$ 1,135,017	\$ 111,737	\$ 3,648	\$ -	\$ 115,385	\$ (1,019,632)	\$ -	\$ (1,019,632)
Public Safety	3,106,438	210,831	4,625	-	215,456	(2,890,982)	-	(2,890,982)
Public Works	1,478,954	-	-	-	-	(1,478,954)	-	(1,478,954)
Urban and Economic Development	163,413	96,589	-	-	96,589	(66,824)	-	(66,824)
Culture and Recreation	1,127,397	140,157	-	87,483	227,640	(899,757)	-	(899,757)
Capital Projects	-	-	-	-	-	-	-	-
Debt Service	46,652	-	-	-	-	(46,652)	-	(46,652)
TOTAL GOVERNMENTAL ACTIVITIES	7,057,871	559,314	8,273	87,483	655,070	(6,402,801)	-	(6,402,801)
Business-Type Activities:								
Water and Sewer	2,621,634	1,841,970	-	-	1,841,970	-	(779,664)	(779,664)
Electric	13,680,674	13,939,405	-	-	13,939,405	-	258,731	258,731
Solid Waste Management	900,596	870,594	-	-	870,594	-	(30,002)	(30,002)
TOTAL BUSINESS-TYPE ACTIVITIES	17,202,904	16,651,969	-	-	16,651,969	-	(550,935)	(550,935)
TOTAL PRIMARY GOVERNMENT	\$ 24,260,775	\$ 17,211,283	\$ 8,273	\$ 87,483	\$ 17,307,039	\$ (6,402,801)	\$ (550,935)	\$ (6,953,736)
GENERAL REVENUES:								
Taxes:								
Property Taxes, Levied for General Purposes						\$ 2,379,998	\$ -	\$ 2,379,998
Property Taxes, Levied for Debt Service						14	-	14
Sales Taxes						1,959,815	-	1,959,815
County Pro Rata Taxes						552,444	-	552,444
Franchise Taxes						93,854	-	93,854
In Lieu Taxes						909,167	-	909,167
Gasoline Taxes & Other Taxes						22,182	-	22,182
Homestead Reimbursement						160,089	-	160,089
Fire Protection Allocation						40,963	-	40,963
Grants and Contributions not Restricted to Specific Programs						389,878	-	389,878
Investment Earnings						8,741	2,545	11,286
Gain (Loss) on Asset Disposal						(5,308)	-	(5,308)
Miscellaneous						43,845	2,250	46,095
Transfers						-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						6,555,682	4,795	6,560,477
CHANGE IN NET POSITION						152,881	(546,140)	(393,259)
NET POSITION--BEGINNING						9,816,285	17,922,414	27,738,699
NET POSITION--ENDING						\$ 9,969,166	\$ 17,376,274	\$ 27,345,440

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

**CITY OF AMORY, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>			
Cash on Deposit	\$ 3,278,857	\$ 292,379	\$ 3,571,236
Money Market, CD's	412,807	183,102	595,909
Other Receivables	33,982	-	33,982
Notes Receivable	-	1,223	1,223
Lease Payments Receivable	-	-	-
Due From Other Funds	94,590	-	94,590
Due From Other Governments	215,710	-	215,710
Accrued Interest	351	-	351
TOTAL ASSETS	\$ 4,036,297	\$ 476,704	\$ 4,513,001
<u>LIABILITIES AND FUND BALANCES:</u>			
<u>LIABILITIES:</u>			
Checks Issued in Excess of Cash Deposits	\$ -	\$ 96,785	\$ 96,785
Accounts Payable and Accrued Expenses	305,310	3,417	308,727
Due to Other Funds	838	-	838
Due to Other Industries	-	-	-
Deferred Revenues - Lease Payments	-	-	-
Unearned Revenue	153,076	-	153,076
TOTAL LIABILITIES	\$ 459,224	\$ 100,202	\$ 559,426
<u>FUND BALANCES:</u>			
Nonspendable	43,672	-	43,672
Committed			
BiCentennial CD	2,625	-	2,625
Debt Service Funds	-	-	-
Library	177,940	-	177,940
Restricted			
Capital Projects	-	230,455	230,455
Fire Protection	-	184,637	184,637
Police/Narcotics	-	15,332	15,332
CDBG Repayment	-	17,439	17,439
Assigned	357,042	-	357,042
Unassigned	2,995,794	(71,361)	2,924,433
TOTAL FUND BALANCES	\$ 3,577,073	\$ 376,502	\$ 3,953,575

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, 2017**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,953,575

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. 14,508,141

Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. (1,477,571)

Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. (123,266)

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. 92,018

Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. (7,022,862)

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 368,062

Deferred inflows of resources related to defined benefit pension plan (472,435)

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. -

Accrual of court fine revenues to qualify as financial resources. 143,504

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,969,166

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, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
General Property Taxes	\$ 2,371,685	\$ 14	\$ 2,371,699
Sales and Use Taxes	1,959,815	-	1,959,815
Licenses and Permits	40,125	-	40,125
Franchise Fees	93,854	-	93,854
Penalties and Interest	71,612	-	71,612
Intergovernmental Revenues	1,652,155	40,963	1,693,118
Grant Income	408,874	-	408,874
Charges for Services	140,157	-	140,157
Fines and Forfeits	178,512	-	178,512
Interest Income	8,166	575	8,741
Wharfage Fees	95,184	-	95,184
Donations/Contributions	68,487	-	68,487
Miscellaneous Revenues	25,637	18,208	43,845
TOTAL REVENUES	7,114,263	59,760	7,174,023
EXPENDITURES:			
Current:			
General Government	1,099,362	-	1,099,362
Public Safety	2,811,267	183,284	2,994,551
Public Works	1,269,722	74,888	1,344,610
Culture and Recreation	977,366	-	977,366
Urban and Economic Development	485,083	-	485,083
Capital Projects	-	-	-
Debt Service	76,656	122,637	199,293
TOTAL EXPENDITURES	6,719,456	380,809	7,100,265
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	394,807	(321,049)	73,758
OTHER FINANCING SOURCES (USES):			
Transfers to Other Funds	(37,486)	-	(37,486)
Transfers from Other Funds	-	37,486	37,486
Lease Payments	48,216	-	48,216
Proceeds from Sale of Capital Assets	1,206	-	1,206
Proceeds from Issuance of Debt	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	11,936	37,486	49,422
NET CHANGE IN FUND BALANCES	406,743	(283,563)	123,180
FUND BALANCES - Beginning	3,170,330	660,065	3,830,395
FUND BALANCES - Ending	\$ 3,577,073	\$ 376,502	\$ 3,953,575

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 123,180

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. 787,734

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. (584,023)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. -

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. (6,514)

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. 8,313

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. 32,319

Payments received related to deferred revenues reported as revenue on the Governmental Funds financial statements as received. (46,811)

(Increase) decrease in accrual of compensated absences. (867)

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. (313,091)

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. -

This amount represents long-term debt repayments and issuance costs. 152,641

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 152,881

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, 2017

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
General Property Taxes	\$ 2,174,913	\$ 2,174,913	\$ 2,367,530	\$ 192,617
Sales and Use Taxes	1,850,000	1,850,000	1,968,601	118,601
Licenses and Permits	28,200	28,200	40,125	11,925
Franchise Fees	67,000	67,000	93,854	26,854
Penalties and Interest	20,000	20,000	71,612	51,612
Intergovernmental Revenues	1,487,000	1,487,000	1,652,155	165,155
Grant Income	462,250	462,250	408,874	(53,376)
Charges for Services	122,100	122,100	140,157	18,057
Fines and Forfeits	137,700	137,700	178,512	40,812
Interest Income	350	350	8,166	7,816
Wharfage Fees	100,000	100,000	94,304	(5,696)
Donations/Contributions	65,000	65,000	68,487	3,487
Miscellaneous Revenues	16,250	16,250	25,953	9,703
TOTAL REVENUES	6,530,763	6,530,763	7,118,330	587,567
EXPENDITURES:				
Current:				
General Government	1,232,130	1,248,755	1,099,362	149,393
Public Safety	2,878,087	3,006,491	2,811,267	195,224
Public Works	1,364,241	1,438,068	1,269,722	168,346
Culture and Recreation	1,027,920	1,047,660	977,366	70,294
Urban and Economic Development	552,750	510,750	485,083	25,667
Debt Service	77,000	77,000	76,656	344
TOTAL EXPENDITURES	7,132,128	7,328,724	6,719,456	609,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(601,365)	(797,961)	398,874	1,196,835
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	(85,152)	(85,152)	(37,486)	47,666
Proceeds from Sale of Capital Assets	7,000	7,000	1,206	(5,794)
Proceeds from Issuance of Debt	-	-	-	-
Lease Payments	41,736	41,736	48,216	6,480
TOTAL OTHER FINANCING SOURCES (USES)	(36,416)	(36,416)	11,936	48,352
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (637,781)	\$ (834,377)	\$ 410,810	\$ 1,245,187

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

**CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2017**

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUNDS			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTAL
ASSETS:				
Current Assets:				
Cash	\$ 2,071,852	\$ 138,890	\$ 37,683	\$ 2,248,425
Money Market, CD's	616,531	111,716	127,442	855,689
Accounts Receivables	2,032,959	251,700	109,194	2,393,853
Due from Other Funds	521,742	75,397	68,072	665,211
Inventories	485,684	84,916	-	570,600
Deferred Debits	-	1,982	-	1,982
Prepaid Expenses	-	34,075	-	34,075
Total Current Assets	<u>5,728,768</u>	<u>698,676</u>	<u>342,391</u>	<u>6,769,835</u>
Noncurrent Assets:				
Restricted Assets:				
Due From Home Owner For Conservation Loans	88,814	-	-	88,814
Nonutility Property, net	291,793	-	-	291,793
Capital Assets:				
Land	106,483	125,195	-	231,678
Buildings	337,118	251,909	112,539	701,566
Improvements Other Than Building	16,430,044	14,779,354	-	31,209,398
Machinery & Equipment	1,866,783	1,194,916	317,666	3,379,365
Accumulated Depreciation	(9,514,222)	(8,068,394)	(334,396)	(17,917,012)
Construction Work In Progress	792,298	269,611	-	1,061,909
Total Noncurrent Assets	<u>10,399,111</u>	<u>8,552,591</u>	<u>95,809</u>	<u>19,047,511</u>
Total Assets	<u>\$ 16,127,879</u>	<u>\$ 9,251,267</u>	<u>\$ 438,200</u>	<u>\$ 25,817,346</u>
Deferred Outflows of Resources:				
Deferred Amounts Related to Pensions	\$ 640,599	\$ 80,044	\$ 33,647	\$ 754,290
Total Deferred Outflows of Resources	<u>\$ 640,599</u>	<u>\$ 80,044</u>	<u>\$ 33,647</u>	<u>\$ 754,290</u>

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2017

	BUSINESS-TYPE ACTIVITIES- PROPRIETARY FUNDS			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTAL
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 1,391,039	\$ 48,043	\$ 53,993	\$ 1,493,075
Compensated Absences	32,668	35,431	6,597	74,696
Due to Other Funds	13,080	500,471	-	513,551
Long-Term Debt Due Within One Year	130,728	-	-	130,728
Deferred Credits	-	-	-	-
Customer Deposits	926,679	8,629	-	935,308
Total Current Liabilities	2,494,194	592,574	60,590	3,147,358
<u>Long-Term Liabilities:</u>				
Net Pension Liability	2,858,000	1,521,019	639,380	5,018,399
Long-Term Debt Due in More than One Year	778,057	-	-	778,057
Advances from Others- TVA	94,430	-	-	94,430
Total Long-Term Liabilities	3,730,487	1,521,019	639,380	5,890,886
Total Liabilities	\$ 6,224,681	\$ 2,113,593	\$ 699,970	\$ 9,038,244
<u>Deferred Inflow of Resources:</u>				
Deferred Amounts Related to Pensions	\$ 7,595	\$ 105,271	\$ 44,252	\$ 157,118
Total Deferred Inflows of Resources	\$ 7,595	\$ 105,271	\$ 44,252	\$ 157,118
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	9,109,719	8,552,591	95,809	17,758,119
Restricted for:				
Debt Service	161,422	-	-	161,422
Unrestricted	1,265,061	(1,440,144)	(368,184)	(543,267)
Total Net Position (Deficit)	\$ 10,536,202	\$ 7,112,447	\$ (272,375)	\$ 17,376,274

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, 2017

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 13,939,405	\$ 1,841,970	\$ 870,594	\$ 16,651,969
Total Operating Revenue	<u>13,939,405</u>	<u>1,841,970</u>	<u>870,594</u>	<u>16,651,969</u>
<u>OPERATING EXPENSES:</u>				
Operations	11,852,876	1,746,828	885,438	14,485,142
Maintenance	355,474	439,879	12,486	807,839
Depreciation	590,888	386,043	2,672	979,603
Taxes	<u>844,595</u>	<u>46,036</u>	<u>-</u>	<u>890,631</u>
Total Operating Expenses	<u>13,643,833</u>	<u>2,618,786</u>	<u>900,596</u>	<u>17,163,215</u>
Net Operating Income (Loss)	<u>295,572</u>	<u>(776,816)</u>	<u>(30,002)</u>	<u>(511,246)</u>
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	2,034	111	400	2,545
Gain (Loss) on Sale of Equipment	-	-	-	-
Miscellaneous Income (Expense)	-	(2,848)	2,250	(598)
Interest Expense	<u>(36,841)</u>	<u>-</u>	<u>-</u>	<u>(36,841)</u>
Total Non-Operating Income (Loss)	<u>(34,807)</u>	<u>(2,737)</u>	<u>2,650</u>	<u>(34,894)</u>
Income (Loss) before Operating Transfers	260,765	(779,553)	(27,352)	(546,140)
<u>OPERATING TRANSFERS IN (OUT)</u>				
Change in Net Position	260,765	(779,553)	(27,352)	(546,140)
Total Net Position (Deficit)-Beginning of Year	<u>10,275,437</u>	<u>7,892,000</u>	<u>(245,023)</u>	<u>17,922,414</u>
Total Net Position (Deficit)-End of Year	<u>\$ 10,536,202</u>	<u>\$ 7,112,447</u>	<u>\$ (272,375)</u>	<u>\$ 17,376,274</u>

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, 2017

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			TOTALS
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 14,044,485	\$ 1,865,041	\$ 874,886	\$ 16,784,412
Payments to Suppliers	(9,930,932)	(1,198,262)	(645,001)	(11,774,195)
Payments to Employees	(1,275,754)	(462,797)	(272,019)	(2,010,570)
Payments for Other Services and Charges	(1,038,636)	-	-	(1,038,636)
Other Receipts (Payments)	(804,983)	(113,341)	-	(918,324)
Net Cash Provided by (Used in) Operating Activities	994,180	90,641	(42,134)	1,042,687
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	(3,904)	-	(3,904)
Due From Other Funds	(16,607)	-	4,292	(12,315)
Net Cash Provided By (Used In) Noncapital Financing Activities	(16,607)	(3,647)	4,292	(15,962)
Cash Flows from Capital and Related Financing Activities:				
Proceeds From Capital Debt	153,764	-	-	153,764
Purchases of Capital Assets	(1,070,247)	(110,801)	-	(1,181,048)
Proceeds From Sale of Capital Assets	-	-	-	-
Principal Paid on Capital Debt	(99,979)	-	-	(99,979)
Interest Paid on Capital Debt	(37,460)	-	-	(37,460)
Other Receipts (Payments)	(208,538)	(2,848)	2,250	(209,136)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(1,262,460)	(113,649)	2,250	(1,373,859)
Cash Flows from Investing Activities:				
Interest and Dividends	1,741	111	400	2,252
Other Receipts (Payments)	19,340	-	-	19,340
Net Cash Provided By (Used In) Investing Activities	21,081	111	400	21,592
Net Increase (Decrease) In Cash and Cash Equivalents	(263,806)	(26,544)	(35,192)	(325,542)
Cash and Cash Equivalents--Beginning	2,952,189	277,150	200,317	3,429,656
Cash and Cash Equivalents--Ending	\$ 2,688,383	\$ 250,606	\$ 165,125	\$ 3,104,114
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 295,572	\$ (776,816)	\$ (30,002)	\$ (511,246)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	590,888	386,043	2,672	979,603
Net Pension Expense	229,565	505,399	(16,330)	718,634
(Increase) Decrease in Accounts Receivable	5,433	22,551	4,292	32,276
(Increase) Decrease in Deferred Credits	-	-	-	-
(Increase) Decrease in Prepaid Expenses	8,400	(20,492)	-	(12,092)
(Increase) Decrease in Inventories	(110,240)	(3,975)	-	(114,215)
Increase (Decrease) in Accounts Payable	(87,481)	(31,665)	(4,585)	(123,731)
Increase (Decrease) in Accrued Liabilities	(18,351)	9,076	1,819	(7,456)
Increase (Decrease) in Customer Deposits	80,394	520	-	80,914
Total Adjustments	698,608	867,457	(12,132)	1,553,933
Net Cash Provided (Used) in Operating Activities	\$ 994,180	\$ 90,641	\$ (42,134)	\$ 1,042,687

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

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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, 2017

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, 2017

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, 2017

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, 2017**

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, 2017, 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, 2017 were fully collectible except as discussed below.

The accrual amount of court fine receivables on the Statement of Net Position has been reduced by \$332,048 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, 2017

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, 2017**

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 \$357,042 of assigned fund balances as of September 30, 2017.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and all other amounts not included in other spendable classifications.

Use of Restricted/ Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

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, 2017

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>2017</u>		<u>2016</u>	
	<u>City</u>	<u>School District</u>	<u>City</u>	<u>School District</u>
General Fund	36.40	0.00	36.40	0.00
Library Fund	3.00	0.00	3.00	0.00
School Debt Service Fund				
2010 Three Mill Note	0.00	0.00	0.00	2.00
2013 Three Mill Note	0.00	0.00	0.00	0.84
2013 Shortfall Note	0.00	0.00	0.00	0.87
2014 Shortfall Note	0.00	0.25	0.00	0.33
2016 Three Mill Note	0.00	2.65	0.00	0.00
School Maintenance Fund	<u>0.00</u>	<u>40.65</u>	<u>0.00</u>	<u>37.50</u>
Total	<u>39.40</u>	<u>43.55</u>	<u>39.40</u>	<u>41.54</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>2017</u>	<u>2016</u>
Electric Fund	\$ 19,532,726	\$ 18,408,080
Solid Waste Management Fund	430,205	430,205
Combined Water & Sewer Fund	<u>16,620,985</u>	<u>16,505,184</u>
Total	36,583,916	35,343,469
Less: Accumulated Depreciation	<u>17,917,012</u>	<u>17,060,373</u>
Net	<u>\$ 18,666,904</u>	<u>\$ 18,283,096</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, 2017

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 - 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, 2017, 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, 2017

NOTE 5 - FIXED ASSETS

The following is a summary of capital asset activity as of September 30, 2017:

Primary Government:

Governmental Activities:

	Balance 10/1/2016	Additions	Reclass/ Disposals	Balance 9/30/2017
Capital Assets, not being depreciated:				
Land	\$ 1,243,571	\$ 45,000	\$ 0	\$ 1,288,571
Construction in Progress	58,782	420,854	(146,166)	333,470
Total Capital Assets, not being depreciated	1,302,353	465,854	(146,166)	1,622,041
Capital Assets being depreciated				
Plant, Buildings & Improvements	11,420,841	38,094	146,166	11,605,101
Infrastructure	13,526,244	0	0	13,526,244
Machinery & Equipment	3,186,123	283,786	(78,502)	3,391,407
Total Capital Assets being depreciated	28,133,208	321,880	67,664	28,522,752
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(4,786,489)	(333,926)	0	(5,120,415)
Machinery & Equipment	(2,536,747)	(130,364)	71,988	(2,595,123)
Infrastructure	(7,801,381)	(119,733)	0	(7,921,114)
Total Accumulated Depreciation	(15,124,617)	(584,023)	71,988	(15,636,652)
Total Capital Assets, depreciated, net	13,008,591	(262,143)	139,652	12,886,100
Primary Government Capital Assets, net	\$ 14,310,944	\$ 203,711	\$ (6,514)	\$ 14,508,141

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, 2017

NOTE 5 - FIXED ASSETS (continued)

A summary of business-type capital asset activity at September 30, 2017 follows:

Business-Type Activities:

	Balance 10/1/2016	Additions	Reclass/ Disposals	Balance 9/30/2017
Capital Assets, not being depreciated:				
Land	\$ 231,678	\$ 0	\$ 0	\$ 231,678
Construction in Progress	728,921	426,965	(93,977)	1,061,909
Total Capital Assets, not being depreciated	960,599	426,965	(93,977)	1,293,587
Capital Assets being depreciated				
Plant, Buildings & Improvements	31,475,349	511,007	(75,392)	31,910,964
Machinery & Equipment	2,907,520	549,986	(78,141)	3,379,365
Total Capital Assets being depreciated	34,382,869	1,060,993	(153,533)	35,290,329
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(15,086,053)	(812,569)	100,943	(15,797,679)
Machinery & Equipment	(1,974,320)	(167,034)	22,021	(2,119,333)
Total Accumulated Depreciation	(17,060,373)	(979,603)	122,964	(17,917,012)
Total Capital Assets, depreciated, net	17,322,496	81,390	(30,569)	17,373,317
Primary Government Capital Assets, net	\$ 18,283,095	\$ 508,355	\$ (124,546)	\$ 18,666,904

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	\$ 47,697
Public Safety	111,961
Public Works	144,409
Urban and Economic Development	138,417
Culture & Recreation	141,539

Total Depreciation Expense – Governmental Activities \$ 584,023

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 5 - FIXED ASSETS (continued)

Business-type Activities:

Electric Department	\$ 590,888
Water and Sewer	386,043
Solid Waste	<u>2,672</u>

Total Depreciation Expense – Business-type Activities	<u>\$ 979,603</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 \$582,867 as of September 30, 2017 are as follows:

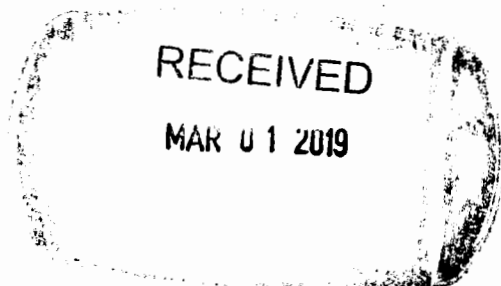
Fiscal Year Ending <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 40,362	\$ 44,114	\$ 130,728	\$ 34,802	\$ 250,006
2019	40,757	43,044	136,772	30,558	251,131
2020	41,167	41,959	116,285	26,120	225,531
2021	65,285	40,888	95,000	22,273	223,446
2022	60,000	39,454	100,000	18,283	217,737
2023-2027	575,000	170,324	330,000	28,648	1,103,972
2028-2031	<u>655,000</u>	<u>42,400</u>	<u>0</u>	<u>0</u>	<u>697,400</u>
Total	<u>\$ 1,477,571</u>	<u>\$ 422,183</u>	<u>\$ 908,785</u>	<u>\$ 160,684</u>	<u>\$ 2,969,223</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 6 - LONG-TERM DEBT (continued)

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

<u>Governmental Activities</u>	<u>Balance</u> <u>10/01/16</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/17</u>	<u>Current</u> <u>Maturity</u>
State of Mississippi - CAP Loan \$500,000 with interest at 3.0% maturing on August 1, 2017	\$ 36,928	\$ 0	\$ 36,928	\$ 0	\$ 0
MDA Rail Loan - \$133,464 with interest at 3.75%, maturing on April 1, 2021	47,585	0	10,014	37,571	10,362
Promissory Note - \$150,000 with interest at 2%, maturing on July 15, 2017	75,699	0	75,699	0	0
General Obligation Bond Series 2015 - \$1,500,000 with interest at 2.250% to 3.200%, maturing on July 1, 2030	<u>1,470,000</u>	<u>0</u>	<u>30,000</u>	<u>1,440,000</u>	<u>30,000</u>
	<u>\$ 1,630,212</u>	<u>\$ 0</u>	<u>\$ 152,641</u>	<u>\$ 1,477,571</u>	<u>\$ 40,362</u>
<u>Business-Type Activities</u>	<u>Balance</u> <u>10/01/16</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/17</u>	<u>Current</u> <u>Maturity</u>
Revenue Bonds Series 2005-\$1,500,000 original issue with an average interest rate of 4.42%, maturing May 1, 2025	\$ 855,000	\$ 0	\$ 75,000	\$ 780,000	\$ 80,000
Capital Lease - \$153,764 with interest at 2.04% maturing on December 29, 2019	<u>0</u>	<u>153,764</u>	<u>24,979</u>	<u>128,785</u>	<u>50,728</u>
	<u>\$ 855,000</u>	<u>\$ 153,764</u>	<u>\$ 99,979</u>	<u>\$ 908,785</u>	<u>\$ 130,728</u>



CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 7 - DUE FROM/TO INTERFUND BALANCES

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 94,590	\$ 838
Special Revenue Funds	0	0
Enterprise Funds:		
Solid Waste Management Fund	68,072	0
Water and Sewer Fund	75,397	500,471
Electric Department	<u>521,742</u>	<u>13,080</u>
Total	<u>\$ 759,801</u>	<u>\$ 514,389</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, 2017. The following is a reconciliation of the difference:

Due from Water and Sewer Fund on June 30, 2017 per Electric Fund	\$ 521,742	
Due to Water and Sewer Fund on June 30, 2017 per Electric Fund	(12,157)	
Due to General Fund on June 30, 2017 per Electric Fund	<u>(1,761)</u>	\$ 507,824
Due from Electric Fund on September 30, 2017 per General Fund	94,590	
Due from Electric Fund on September 30, 2017 per Solid Waste Fund	68,072	
Due from Electric Fund on September 30, 2017 Per Water and Sewer Fund	75,397	
Due to Electric Fund on September 30, 2017 per Water and Sewer Fund	<u>(500,471)</u>	<u>(262,412)</u>
		<u>\$ 245,412</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, 2017 totaled approximately \$1,394,321. This represented approximately 10% of this Enterprise Fund's total revenues.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 you reach age 55 (Retirement Tiers 1 through 3) or age 60 (Retirement Tier 4), plus 3% compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 55.

Employee membership data related to the Plan, as of June 30, 2017 was as follows:

Retirees and Survivors	102,260
Terminated Vested Employees	16,682
Inactive Nonvested Members	50,170
Active Members	<u>152,382</u>
Total	<u>321,494</u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

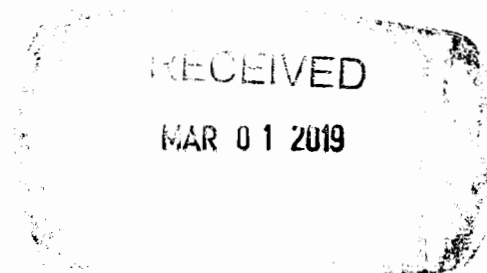
Employee membership data related to the Plan, as of June 30, 2016 was as follows:

Retirees and Survivors	99,483
Terminated Vested Employees	19,400
Inactive Nonvested Members	123,235
Active Members	<u>154,104</u>
Total	<u>396,222</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, 2017, the City of Amory's total payroll for all employees was \$5,481,875. Total covered payroll was also \$5,467,719. 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, 2017, the City of Amory (including the Amory Municipal Library), reported a liability of \$9,183,261 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the City of Amory-Electric Department reported a liability of \$2,858,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2017, the City of Amory's proportion was 0.055243%. At June 30, 2016, The City of Amory-Electric's proportion was 0.016000%.



CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

For the year ended September 30, 2017, the City of Amory recognized pension expense of \$1,298,809. At September 30, 2017, the City of Amory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Results - Pensions	\$ 131,934	\$ 67,008
City Pension Contributions Subsequent to the Measurement Date	145,711	0
Changes of Assumptions	204,108	15,649
Net Difference Between Projected and Actual Investment Earnings on Investments	0	117,905
Changes in Proportion and Differences Between ER Contributions and Proportionate Share Of ER Contributions	0	421,396
Total	\$ <u>481,753</u>	\$ <u>621,958</u>

For the year ended June 30, 2017, the City of Amory-Electric Department recognized pension expense of \$383,455. At June 30, 2017, the City of Amory-Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Results - Pensions	\$ 79,717	\$ 0
City Pension Contributions Subsequent to the Measurement Date	153,891	0
Changes of Assumptions	134,732	7,595
Changes in Proportion and Differences Between ER Contributions and Proportionate Share of ER Contributions	78,643	0
Net Difference Between Projected and Actual Earnings on Pension Plan Assets	193,616	0
Total	\$ <u>640,599</u>	\$ <u>7,595</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

The \$153,891 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, 2018. 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
2018	170,745
2019	136,393
2020	115,516
2021	56,459
Total	\$ 479,113

The \$145,711 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, 2018. 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
2018	\$ (18,073)
2019	(33,222)
2020	(57,231)
2021	(177,389)
Total	\$ (285,916)

Actuarial Assumptions-The City of Amory-Electric pension liability was determined by an actuarial valuation as of June 30, 2016, 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

Actuarial Assumptions-The City of Amory pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.25-18.50%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

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-Electric Department.

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022, with male rates set forward one year with adjustments for the City of Amory.

The actuarial assumptions used in the June 30, 2016 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.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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, 2017 and 2016, are summarized in the following table:

Asset Class	2016		2017	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00%	5.20%	27.00%	4.60%
International Equity	19.00%	5.00%	18.00%	4.50%
Emerging Markets Equity	8.00%	5.45%	4.00%	4.75%
Global	0.00%	0.00%	12.00%	4.75%
Fixed Income	20.00%	0.25%	18.00%	0.75%
Real Assets	10.00%	4.00%	10.00%	3.50%
Private Equity	8.00%	6.15%	8.00%	5.10%
Emerging Debt	0.00%	0.00%	2.00%	2.25%
Cash	1.00%	(0.50)%	1.00%	0.00%
Total	<u>100.00%</u>		<u>100.00%</u>	

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate-The discount rate used to measure the total pension liability was 7.75% 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 7.75%, 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 (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%	\$3,664,596
Current discount rate	7.75%	\$2,858,000
1% increase	8.75%	\$2,188,786

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%	\$12,044,461
Current discount rate	7.75%	\$9,183,261
1% increase	8.75%	\$6,807,845

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 - 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 \$4,067 less than cash revenues.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 11 - 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	\$ 89,300	\$ 103,963	\$ 14,663

NOTE 12 - DEFICIT FUND BALANCE

The following funds have a deficit fund balance at September 30, 2017:

<u>FUND NAME</u>	<u>AMOUNT</u>
Solid Waste Management	\$ 272,375
Debt Service Fund	<u>71,361</u>
TOTAL	\$ <u>343,736</u>

NOTE 13 - ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the provision for uncollectible court fines and the net pension liability as mentioned in Note 1 and Note 9, respectively. It is at least reasonably possible that the significant estimates used will change within the next year.

NOTE 14 - 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.

NOTE 15 – TAX ABATEMENTS

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatement Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments and the citizens of those governments.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 15 – TAX ABATEMENTS (con't)

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had thirty-six tax abatement agreements with six entities as of September 30, 2017.

The City had three types of abatements, none of which provides for the abatement of school or state tax levies:

Section 27-31-101 – New enterprise exemptions
Section 27-31-105 – Expanded enterprise exemptions
Section 27-31-104 – Fee in lieu of tax agreements

All six entities had tax abatements listed under the above listed statutes.

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$138,777

The companies were not required to comply with any special provisions in order to receive the abatements and the City made no commitments as part of the agreements other than to reduce taxes. Abatements may be voided pursuant to state law in the event of a cessation of company operations.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2018, the date on which the financial statements were available to be issued.

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**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years
For the Year Ended September 30, 2017**

	2017	2016	2015
A. Amory's proportion of net pension liability (%)	0.071243%	0.070000%	0.071000%
B. Amory's proportionate share of net pension liability	\$12,041,261	\$12,063,946	\$10,452,243
C. Amory's covered employee payroll	\$5,467,719	\$4,726,777	\$4,281,305
D. Amory's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	220.22%	255.23%	244.14%
E. Plan fiduciary net position as a percentage of total pension liability	61.49%	57.47%	61.70%

The notes to the required supplementary information are an integral part of this schedule.

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information was available.

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
For the Last 10 Fiscal Years
For the Year Ended September 30, 2017

	2017	2016	2015	2014
A. Statutorily required contributions	\$861,166	\$744,467	\$674,305	\$670,590
B. Contributions in relation to statutorily required contributions	\$861,166	\$744,467	\$674,305	\$670,590
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0
D. Amory's covered employee payroll	\$5,467,719	\$4,726,777	\$4,281,305	\$4,257,717
E. Contributions as a percentage of covered employee payroll	15.75%	15.75%	15.75%	15.75%

The notes to the required supplementary information are an integral part of this schedule.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information was available.

**CITY OF AMORY, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

PENSION SCHEDULES

(1) Changes in benefit provisions

a. 2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

(2) Changes in assumptions

a. 2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disable lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

b. 2016

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

c. 2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disable Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

- (3) The comparative information presented on the Schedule of the City's Contributions does not include information for years prior to 2014 because GASB 68 was implemented in the 2015 fiscal year. Information for the 2014 year was included because it was necessary to record the prior period adjustment in the implementation of GASB 68.

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**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2017**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ -	\$ 61,924	\$ 230,455	\$ 292,379
Money Market, CD's	26,395	156,707	-	183,102
Notes Receivable	-	1,223	-	1,223
TOTAL ASSETS	\$ 26,395	\$ 219,854	\$ 230,455	\$ 476,704
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Checks Issued In Excess of Cash Deposits	\$ 96,785	\$ -	\$ -	\$ 96,785
Accounts Payable	971	2,446	-	3,417
TOTAL LIABILITIES	97,756	2,446	-	100,202
<u>FUND BALANCES:</u>				
Committed	-	-	-	-
Restricted				
Capital Projects	-	-	230,455	230,455
Fire Protection	-	184,637	-	184,637
Police/Narcotics	-	15,332	-	15,332
CDBG Repayment	-	17,439	-	17,439
Unassigned	(71,361)	-	-	(71,361)
TOTAL FUND BALANCES	(71,361)	217,408	230,455	376,502
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,395	\$ 219,854	\$ 230,455	\$ 476,704

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2017

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 14	\$ -	\$ -	\$ 14
Intergovernmental Revenues	-	40,963	-	40,963
Interest	83	492	-	575
Other	-	18,208	-	18,208
TOTAL REVENUES	<u>97</u>	<u>59,663</u>	<u>-</u>	<u>59,760</u>
EXPENDITURES:				
Current:				
Public Safety	-	183,284	-	183,284
Public Works	-	-	74,888	74,888
Debt Service	122,637	-	-	122,637
TOTAL EXPENDITURES	<u>122,637</u>	<u>183,284</u>	<u>74,888</u>	<u>380,809</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(122,540)</u>	<u>(123,621)</u>	<u>(74,888)</u>	<u>(321,049)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	37,486	-	-	37,486
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,486</u>	<u>-</u>	<u>-</u>	<u>37,486</u>
NET CHANGE IN FUND BALANCES	(85,054)	(123,621)	(74,888)	(283,563)
FUND BALANCES - Beginning	<u>13,693</u>	<u>341,029</u>	<u>305,343</u>	<u>660,065</u>
FUND BALANCES - Ending	<u>\$ (71,361)</u>	<u>\$ 217,408</u>	<u>\$ 230,455</u>	<u>\$ 376,502</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEET - GENERAL FUND
September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
<u>ASSETS:</u>		
Cash	\$ 3,278,857	\$ 2,820,018
Money Market, CD's	412,807	421,384
Accrued Interest Receivable	351	351
Lease Payments Receivable	-	46,811
Due From Other Governments	215,710	220,341
Due From Other Funds	94,590	95,462
Other Receivables	33,982	33,418
Total Assets	\$ 4,036,297	\$ 3,637,785
<u>LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 305,310	\$ 258,160
Due to Other Funds	838	838
Due to Other Industries	-	3,453
Unearned Revenue	153,076	158,193
Deferred Revenues - Lease Payments	-	46,811
Total Liabilities	459,224	467,455
<u>FUND BALANCE:</u>		
Nonspendable	43,672	43,535
Committed		
BiCentennial CD	2,625	2,625
Library	177,940	138,231
Restricted	-	-
Assigned	357,042	604,087
Unassigned	2,995,794	2,381,852
Total Fund Balance	3,577,073	3,170,330
Total Liabilities and Fund Balance	\$ 4,036,297	\$ 3,637,785

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

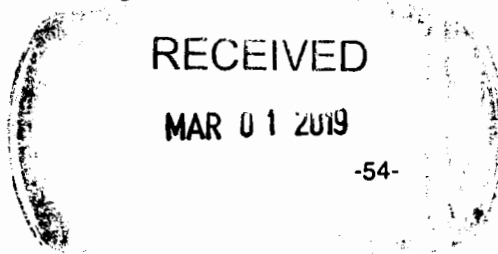
	TOTALS	TOTALS
	2017	2016
REVENUES:		
Ad Valorem Taxes:		
Real & Personal	\$ 2,371,685	\$ 2,268,819
Penalties and Interest	71,612	60,806
Licenses and Permits	40,125	42,008
State of Mississippi:		
Sales Tax	1,959,815	1,981,152
Municipal Aid	3,648	3,648
Gasoline Tax	6,352	6,352
Homestead Reimbursement	160,089	166,862
Law Enforcement Assistance	4,625	11,686
In Lieu - TVA	124,190	69,619
Monroe County:		
Pro Rata Tax	552,444	537,374
Vehicle Rental & Rail Car	15,830	14,421
In Lieu - Other:		
Utility Department	784,950	785,058
Housing Authority	27	606
State and Federal Grants	408,874	175,068
Recreation Fee	15,880	13,490
Fines and Forfeitures	178,512	136,062
Rentals	103,085	113,125
Interest	8,166	3,204
Library Income	11,122	9,927
Special Assessment Charges	10,070	6,270
Franchise Fee	93,854	92,218
Wharfage Fees	95,184	85,323
Donations/Contributions	68,487	49,903
Sundry	25,637	21,304
Total Revenues	\$ 7,114,263	\$ 6,654,305

EXPENDITURES:

General Government:

Legislative:

Personnel Services	\$ 56,841	\$ 63,618
Supplies	629	635
Other Services and Charges	179,052	172,516
Capital Outlay	-	-
Total	236,522	236,769



CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
Judicial:		
Personnel Services	\$ -	\$ -
Supplies	1,200	451
Other Services and Charges	39,651	39,930
Capital Outlay	710	-
Total	<u>41,561</u>	<u>40,381</u>
Executive:		
Personnel Services	100,927	104,087
Supplies	860	848
Other Services and Charges	5,539	6,860
Capital Outlay	-	363
Total	<u>107,326</u>	<u>112,158</u>
Planning/Zoning:		
Personnel Services	194,734	202,012
Supplies	1,787	2,006
Other Services and Charges	16,366	9,633
Capital Outlay	-	649
Total	<u>212,887</u>	<u>214,300</u>
Elections:		
Personnel Services	-	-
Supplies	98	-
Other Services and Charges	11,394	-
Total	<u>11,492</u>	<u>-</u>
Finance:		
Personnel Services	160,534	181,581
Supplies	5,478	8,349
Other Services and Charges	94,996	72,708
Capital Outlay	27,310	400
Debt Service	-	-
Total	<u>288,318</u>	<u>263,038</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
Legal:		
Personnel Services	\$ 5,540	\$ -
Supplies	-	-
Other Services and Charges	15,669	18,263
Total	21,209	18,263
Other General Government Bldg. & Plant:		
Personnel Services	113	60
Supplies	4,340	19,284
Other Services and Charges	163,772	141,144
Capital Outlay	11,822	30,943
Total	180,047	191,431
Total General Government	1,099,362	1,076,340
Public Safety:		
Police Department:		
Personnel Services	1,596,978	1,617,130
Supplies	131,527	105,763
Other Services and Charges	160,840	142,501
Capital Outlay	18,520	104,321
Debt Service	-	-
Total	1,907,865	1,969,715

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CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
Narcotics Division of Police Department:		
Personnel Services	\$ 69,132	\$ 69,267
Supplies	749	343
Other Services and Charges	252	253
Capital Outlay	-	765
Total	<u>70,133</u>	<u>70,628</u>
Fire Department:		
Personnel Services	767,080	800,403
Supplies	28,951	26,928
Other Services and Charges	32,499	30,036
Capital Outlay	4,739	24,208
Total	<u>833,269</u>	<u>881,575</u>
Total Public Safety	<u>2,811,267</u>	<u>2,921,918</u>
Public Works:		
Street Department:		
Personnel Services	451,059	424,104
Supplies	85,342	136,166
Other Services and Charges	637,405	458,631
Capital Outlay	42,358	84,224
Total	<u>1,216,164</u>	<u>1,103,125</u>
City Garage Department		
Personnel Services	45,435	49,095
Supplies	5,859	6,827
Other Services and Charges	1,965	3,162
Capital Outlay	299	106
Total	<u>53,558</u>	<u>59,190</u>
Total Public Works	<u>\$ 1,269,722</u>	<u>\$ 1,162,315</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
Culture & Recreation:		
Parks and Recreation:		
Personnel Services	291,460	314,834
Supplies	61,135	58,269
Other Services and Charges	124,815	107,097
Capital Outlay	52,010	8,947
Total	<u>529,420</u>	<u>489,147</u>
Library		
Personnel Services	182,629	187,305
Supplies	103,963	59,932
Other Services and Charges	31,762	30,774
Capital Outlay	-	21,668
Total	<u>318,354</u>	<u>299,679</u>
Museum Department:		
Personnel Services	83,203	88,246
Supplies	2,970	2,159
Other Services and Charges	42,972	48,977
Capital Outlay	447	450
Total	<u>129,592</u>	<u>139,832</u>
Total Culture and Recreation	<u>977,366</u>	<u>928,658</u>
Urban & Economic Development:		
Economic Development:		
Other Services and Charges	24,839	41,840
Capital Outlay	460,244	8,290
Total	<u>485,083</u>	<u>50,130</u>
Total Urban & Economic Development	<u>\$ 485,083</u>	<u>\$ 50,130</u>
Debt Service		
Principal	75,699	74,301
Interest	957	2,396
Total	<u>76,656</u>	<u>76,697</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2017 and 2016

	TOTALS	TOTALS
	2017	2016
Total Expenditures	<u>6,719,456</u>	<u>6,216,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>394,807</u>	<u>438,247</u>
Other Financing Sources (Uses):		
Proceeds from Issuance of Debt	-	-
Proceeds from Sale of Capital Assets	1,206	71,569
Transfers (to) from Other Funds	(37,486)	(112,024)
Lease Payments	<u>48,216</u>	<u>59,648</u>
Total Other Financing Sources (Uses)	<u>11,936</u>	<u>19,193</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	406,743	457,440
Fund Balance:		
October 1, as previously stated	3,170,330	2,712,890
Prior Period Adjustment	<u>-</u>	<u>-</u>
October 1, as restated	<u>3,170,330</u>	<u>2,712,890</u>
September 30,	<u>\$ 3,577,073</u>	<u>\$ 3,170,330</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, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:			
Ad Valorem Taxes:			
Real & Personal	\$ 2,174,913	\$ 2,367,530	\$ 192,617
Penalties and Interest	20,000	71,612	51,612
Licenses and Permits	28,200	40,125	11,925
State of Mississippi:			
Sales Tax	1,850,000	1,968,601	118,601
Municipal Aid	3,600	3,648	48
Gasoline Tax	6,300	6,352	52
Homestead Reimbursement	130,000	160,089	30,089
Law Enforcement Assistance	-	4,625	4,625
In Lieu - TVA	125,000	124,190	(810)
Monroe County:			
Pro Rate Tax	425,000	552,444	127,444
Vehicle Rental & Rail Car	11,500	15,830	4,330
In Lieu - Other:			
Utility Department	785,000	784,950	(50)
Housing Authority	600	27	(573)
State & Local Grants	462,250	408,874	(53,376)
TVA & State - Waterway Road Project	-	-	-
Recreation Fee	11,500	15,880	4,380
Fines and Forfeitures	137,700	178,512	40,812
Rentals	105,000	103,085	(1,915)
Interest	350	8,166	7,816
Library Income	5,600	11,122	5,522
Special Assessment Charges	10,000	10,070	70
Franchise Fee	67,000	93,854	26,854
Wharfage Fees	100,000	94,304	(5,696)
Donations/Contributions	65,000	68,487	3,487
Sundry	6,250	25,953	19,703
Total Receipts	\$ 6,530,763	\$ 7,118,330	\$ 587,567

EXPENDITURES:

General Government:

Legislative:

Personnel Services	\$ 64,545	\$ 56,841	\$ 7,704
Supplies	1,000	629	371
Other Services and Charges	181,615	179,052	2,563
Capital Outlay	-	-	-
Total	247,160	236,522	10,638

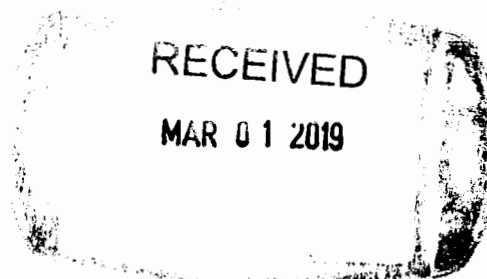
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CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Judicial:			
Personnel Services	\$ -	\$ -	\$ -
Supplies	1,450	1,200	250
Other Services and Charges	44,545	39,651	4,894
Capital Outlay	12,750	710	12,040
Total	58,745	41,561	17,184
Executive:			
Personnel Services	107,164	100,927	6,237
Supplies	1,675	860	815
Other Services and Charges	7,825	5,539	2,286
Capital Outlay	1,000	-	1,000
Total	117,664	107,326	10,338
Planning/Zoning:			
Personnel Services	205,380	194,734	10,646
Supplies	2,750	1,787	963
Other Services and Charges	30,585	16,366	14,219
Capital Outlay	2,000	-	2,000
Total	240,715	212,887	27,828
Elections:			
Personnel Services	-	-	-
Supplies	750	98	652
Other Services and Charges	25,750	11,394	14,356
Total	26,500	11,492	15,008
Finance:			
Personnel Services	179,161	160,534	18,627
Supplies	7,100	5,478	1,622
Other Services and Charges	108,610	94,996	13,614
Capital Outlay	29,000	27,310	1,690
Total	323,871	288,318	35,553

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Legal:			
Personnel Services	7,600	5,540	2,060
Supplies	-	-	-
Other Services and Charges	18,400	15,669	2,731
Total	26,000	21,209	4,791
Other General Government Bldg. & Plant:			
Personnel Services	1,500	113	1,387
Supplies	11,950	4,340	7,610
Other Services and Charges	179,650	163,772	15,878
Capital Outlay	15,000	11,822	3,178
Total	208,100	180,047	28,053
Total General Government	1,248,755	1,099,362	149,393
Public Safety:			
Police Department:			
Personnel Services	1,661,745	1,596,978	64,767
Supplies	141,350	131,527	9,823
Other Services and Charges	184,779	160,840	23,939
Capital Outlay	46,250	18,520	27,730
Total	2,034,124	1,907,865	126,259
Narcotics Division of Police Department:			
Personnel Services	70,974	69,132	1,842
Supplies	1,200	749	451
Other Services and Charges	320	252	68
Capital Outlay	-	-	-
Total	72,494	70,133	2,361



CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Fire Department:			
Personnel Services	\$ 829,823	\$ 766,868	\$ 62,955
Supplies	30,400	29,163	1,237
Other Services and Charges	34,650	32,499	2,151
Capital Outlay	5,000	4,739	261
Total	899,873	833,269	66,604
Total Public Safety	3,006,491	2,811,267	195,224
Public Works:			
Street Department:			
Personnel Services	558,145	451,059	107,086
Supplies	123,900	85,342	38,558
Other Services and Charges	651,427	637,405	14,022
Capital Outlay	45,000	42,358	2,642
Total	1,378,472	1,216,164	162,308
City Garage Department			
Personnel Services	46,896	45,435	1,461
Supplies	7,600	5,859	1,741
Other Services and Charges	4,100	1,965	2,135
Capital Outlay	1,000	299	701
Total	59,596	53,558	6,038
Total Public Works	1,438,068	1,269,722	168,346

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Parks and Recreation:			
Personnel Services	\$ 307,518	\$ 291,460	\$ 16,058
Supplies	67,800	61,135	6,665
Other Services and Charges	152,340	124,815	27,525
Capital Outlay	37,500	52,010	(14,510)
Total	565,158	529,420	35,738
Library			
Personnel Services	195,483	182,629	12,854
Supplies	89,300	103,963	(14,663)
Other Services and Charges	37,160	31,762	5,398
Capital Outlay	8,000	-	8,000
Total	329,943	318,354	11,589
Museum Department:			
Personnel Services	97,209	83,203	14,006
Supplies	3,600	2,970	630
Other Services and Charges	51,250	42,972	8,278
Capital Outlay	500	447	53
Total	152,559	129,592	22,967
Total Culture & Recreation	1,047,660	977,366	70,294
Urban & Economic Development:			
Economic Development:			
Other Services and Charges	95,750	24,839	70,911
Capital Outlay	405,000	460,244	(55,244)
Total	500,750	485,083	15,667
TVA Lieu:			
Capital Outlay	10,000	-	10,000
Total	10,000	-	10,000
Total Urban & Economic Development	510,750	485,083	25,667
Debt Service			
Principal	76,000	75,699	301
Interest	1,000	957	43
Total	77,000	76,656	344
Total Expenditures	7,328,724	6,719,456	609,268

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CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2017

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ (797,961)	\$ 398,874	\$ 1,196,835
Other Financing Sources (Uses):			
Proceeds from Issuance of Debt	-	-	-
Proceeds from Sale of Capital Assets	7,000	1,206	(5,794)
Transfers (to) From Other Funds	(85,152)	(37,486)	47,666
Lease Payments	41,736	48,216	6,480
Total Other Financing Sources (Uses)	(36,416)	11,936	48,352
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(834,377)	410,810	1,245,187
Fund Balance:			
(Non-GAAP Budgetary Basis) October 1,	3,170,330	3,170,330	-
(Non-GAAP Budgetary Basis) September 30,	\$ 2,335,953	3,581,140	\$ 1,245,187
Adjustments to GAAP Basis:			
Accrued Revenue		(4,067)	
Fund Balance (GAAP) September 30,		\$ 3,577,073	

**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2017**

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	TOTALS 2017	TOTALS 2016
<u>ASSETS:</u>					
Cash	\$ 45,384	\$ 16,540	\$ -	\$ 61,924	\$ 189,266
Money Market, CD's	140,491	-	16,216	156,707	156,215
Notes Receivable	-	-	1,223	1,223	1,223
Total Assets	<u>185,875</u>	<u>16,540</u>	<u>17,439</u>	<u>219,854</u>	<u>346,704</u>
<u>LIABILITIES:</u>					
Accounts Payable	<u>1,238</u>	<u>1,208</u>	<u>-</u>	<u>2,446</u>	<u>5,675</u>
Total Liabilities	<u>1,238</u>	<u>1,208</u>	<u>-</u>	<u>2,446</u>	<u>5,675</u>
<u>FUND BALANCE:</u>					
Restricted	<u>184,637</u>	<u>15,332</u>	<u>17,439</u>	<u>217,408</u>	<u>341,029</u>
Total Liabilities and Fund Balance	\$ <u>185,875</u>	\$ <u>16,540</u>	\$ <u>17,439</u>	\$ <u>219,854</u>	\$ <u>346,704</u>

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended September 30, 2017

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	TOTALS 2017	TOTALS 2016
REVENUES:					
Intergovernmental	\$ 40,963	\$ -	\$ -	\$ 40,963	\$ 46,921
Interest	441	-	51	492	388
Other	-	18,208	-	18,208	-
Total Revenues	41,404	18,208	51	59,663	47,309
EXPENDITURES:					
Supplies	11,516	2,493	-	14,009	15,281
Other Services and Charges	-	-	-	-	1,870
Capital Outlay	154,907	14,368	-	169,275	7,303
Total Expenditures	166,423	16,861	-	183,284	24,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,019)	1,347	51	(123,621)	22,855
OTHER SOURCES (USES):					
Transfers from (to) Other Funds	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(125,019)	1,347	51	(123,621)	22,855
Fund Balance - October 1,	309,656	13,985	17,388	341,029	318,174
Fund Balance - September 30,	\$ 184,637	\$ 15,332	\$ 17,439	\$ 217,408	\$ 341,029

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, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	F.Y.E. 9/30/17			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/16 Actual
REVENUES:				
Intergovernmental	\$ 37,000	\$ 40,963	\$ 3,963	\$ 46,921
Interest	-	492	492	388
Other	18,600	18,208	(392)	-
TOTAL REVENUES	55,600	59,663	4,063	47,309
EXPENDITURES:				
Supplies	23,500	14,009	9,491	15,281
Other Services and Charges	3,600	-	3,600	1,870
Capital Outlay	170,600	169,275	1,325	7,303
TOTAL EXPENDITURES	197,700	183,284	14,416	24,454
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(142,100)	(123,621)	18,479	22,855
OTHER FINANCING SOURCES (USES):				
Transfers to/from Other Funds	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(142,100)	(123,621)	18,479	22,855
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	341,029	341,029	-	318,174
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 198,929	\$ 217,408	\$ 18,479	\$ 341,029
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ 217,408		\$ 341,029

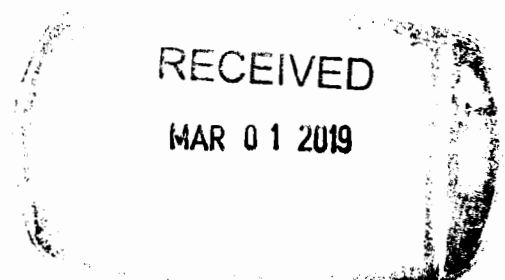
**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2017**

	STREET IMPROVEMENT FUND	TOTALS 2017	TOTALS 2016
<u>ASSETS:</u>			
Cash	\$ 230,455	\$ 230,455	\$ 532,859
Total Assets	<u>230,455</u>	<u>230,455</u>	<u>532,859</u>
<u>LIABILITIES:</u>			
Accounts Payable	-	-	227,516
Total Liabilities	<u>-</u>	<u>-</u>	<u>227,516</u>
<u>FUND BALANCE:</u>			
Restricted	<u>230,455</u>	<u>230,455</u>	<u>305,343</u>
Total Liabilities and Fund Balance	\$ <u>230,455</u>	\$ <u>230,455</u>	\$ <u>532,859</u>

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
Year Ended September 30, 2017

	STREET IMPROVEMENT FUND	TOTALS 2017	TOTALS 2016
<u>REVENUES:</u>			
Grant Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<u>EXPENDITURES:</u>			
Other Services and Charges	74,888	74,888	1,150,982
Total Expenditures	74,888	74,888	1,150,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,888)	(74,888)	(1,150,982)
<u>OTHER SOURCES (USES):</u>			
Proceeds from Issuance of Debt	-	-	-
Total Other Sources (Uses)	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(74,888)	(74,888)	(1,150,982)
Fund Balance - October 1,	305,343	305,343	1,456,325
Fund Balance - September 30,	\$ 230,455	\$ 230,455	\$ 305,343



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, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	F.Y.E. 9/30/17			F.Y.E. 9/30/16
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES:				
Grant Income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Other Services and Charges	800,000	74,888	725,112	1,150,982
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>800,000</u>	<u>74,888</u>	<u>725,112</u>	<u>1,150,982</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	(74,888)	725,112	(1,150,982)
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(800,000)	(74,888)	725,112	(1,150,982)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	305,343	305,343	-	1,456,325
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(494,657)</u>	\$ 230,455	\$ <u>725,112</u>	\$ 305,343
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>230,455</u>		\$ <u>305,343</u>

**CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
September 30, 2017 and 2016**

		<u>TOTALS</u>	
		2017	2016
<u>ASSETS:</u>			
Cash	\$	-	\$ -
Money Market, CD's		<u>26,395</u>	<u>26,311</u>
Total Assets	\$	<u><u>26,395</u></u>	\$ <u><u>26,311</u></u>
<u>LIABILITIES</u>			
Checks Issued In Excess of Cash Deposits		96,785	11,647
Accounts Payable		<u>971</u>	<u>971</u>
Total Liabilities		<u>97,756</u>	<u>12,618</u>
<u>FUND BALANCE:</u>			
Committed	\$	-	\$ 13,693
Unassigned		<u>(71,361)</u>	<u>-</u>
Total Fund Balance		<u>(71,361)</u>	<u>13,693</u>
Total Liabilities and Fund Balance	\$	<u><u>26,395</u></u>	\$ <u><u>26,311</u></u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
Years Ended September 30, 2017 and 2016

	PUBLIC IMPROVEMENTS	TOTALS	2016
	2017		
<u>REVENUE:</u>			
Taxes	\$ 14	\$ 14	\$ 39
Interest	83	83	65
Total Revenue	97	97	104
<u>EXPENDITURES:</u>			
Bond Retired	30,000	30,000	30,000
Interest Paid	43,504	43,504	41,479
Notes Retired	46,942	46,942	52,486
Interest Paid	2,191	2,191	4,049
Total Expenditures	122,637	122,637	128,014
Excess (Deficiency) of Revenue Over (Under) Expenditures	(122,540)	(122,540)	(127,910)
<u>OTHER FINANCING SOURCES(USES):</u>			
Transfers from Other Funds	37,486	37,486	112,024
Total Other Financing Sources(Uses)	37,486	37,486	112,024
Excess (Deficiency) of Revenue Over (Under) Expenditures and Other Sources	(85,054)	(85,054)	(15,886)
Fund Balance - October 1,	13,693	13,693	29,579
Fund Balance - September 30,	\$ (71,361)	\$ (71,361)	\$ 13,693

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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, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	FYE 9/30/17			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/16 Actual
REVENUES:				
Taxes	\$ -	\$ 14	\$ 14	\$ 39
Interest	-	83	83	65
TOTAL REVENUES	-	97	14	104
EXPENDITURES:				
Bond Retired	30,000	30,000	-	30,000
Interest Paid	43,504	43,504	-	41,479
Notes Retired	50,681	46,942	3,739	52,486
Interest Paid	2,403	2,191	212	4,049
TOTAL EXPENDITURES	126,588	122,637	3,951	128,014
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(126,588)	(122,540)	3,965	(127,910)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	131,834	37,486	(94,348)	112,024
TOTAL OTHER FINANCING SOURCES (USES)	131,834	37,486	(94,348)	112,024
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	5,246	(85,054)	(90,383)	(15,886)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	13,693	13,693	-	29,579
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 18,939	\$ (71,361)	\$ (90,383)	\$ 13,693
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ (71,361)		\$ 13,693

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2017

	BUSINESS-TYPE ACTIVITIES--			
	PROPRIETARY FUND			TOTAL
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	
ASSETS:				
<u>Current Assets:</u>				
Cash	\$ 37,683	\$ 2,071,852	\$ 138,890	\$ 2,248,425
Money Market, CD's	127,442	616,531	111,716	855,689
Accounts Receivables, net	109,194	2,032,959	251,700	2,393,853
Due from Other Funds	68,072	521,742	75,397	665,211
Inventories	-	485,684	84,916	570,600
Deferred Debits	-	-	1,982	1,982
Prepaid Expenses	-	-	34,075	34,075
Total Current Assets	342,391	5,728,768	698,676	6,769,835
<u>Noncurrent Assets:</u>				
<u>Restricted Assets:</u>				
Due From Home Owner For				
Conservation Loans	-	88,814	-	88,814
Nonutility Property, net	-	291,793	-	291,793
<u>Capital Assets:</u>				
Land	-	106,483	125,195	231,678
Buildings	112,539	337,118	251,909	701,566
Improvements Other Than Building	-	16,430,044	14,779,354	31,209,398
Machinery & Equipment	317,666	1,866,783	1,194,916	3,379,365
Accumulated Depreciation	(334,396)	(9,514,222)	(8,068,394)	(17,917,012)
Construction Work In Progress	-	792,298	269,611	1,061,909
Total Noncurrent Assets	95,809	10,399,111	8,552,591	19,047,511
Total Assets	\$ 438,200	\$ 16,127,879	\$ 9,251,267	\$ 25,817,346
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 33,647	\$ 640,599	\$ 80,044	\$ 754,290
Total Deferred Outflows of Resources	\$ 33,647	\$ 640,599	\$ 80,044	\$ 754,290

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2017

	BUSINESS-TYPE ACTIVITIES--			
	PROPRIETARY FUND			TOTAL
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 53,993	\$ 1,391,039	\$ 48,043	\$ 1,493,075
Compensated Absences	6,597	32,668	35,431	74,696
Due to Other Funds	-	13,080	500,471	513,551
Long-Term Debt Due Within One Year	-	130,728	-	130,728
Customer Deposits	-	926,679	8,629	935,308
Total Current Liabilities	60,590	2,494,194	592,574	3,147,358
<u>Long-Term Liabilities:</u>				
Net Pension Liability	639,380	2,858,000	1,521,019	5,018,399
Long-Term Debt Due in More than One Year	-	778,057	-	778,057
Advances from Others- TVA	-	94,430	-	94,430
Total Long-Term Liabilities	639,380	3,730,487	1,521,019	5,890,886
Total Liabilities	\$ 699,970	\$ 6,224,681	\$ 2,113,593	\$ 9,038,244
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 44,252	\$ 7,595	\$ 105,271	\$ 157,118
Total Deferred Inflows of Resources	\$ 44,252	\$ 7,595	\$ 105,271	\$ 157,118
<u>Net Position</u>				
Net Investment in Capital Assets	95,809	9,109,719	8,552,591	17,758,119
Restricted for:				
Debt Service	-	161,422	-	161,422
Unrestricted	(368,184)	1,265,061	(1,440,144)	(543,267)
Total Net Position	\$ (272,375)	\$ 10,536,202	\$ 7,112,447	\$ 17,376,274

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2017

	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 870,594	\$ 13,939,405	\$ 1,841,970	\$ 16,651,969
Total Operating Revenue	870,594	13,939,405	1,841,970	16,651,969
<u>OPERATING EXPENSES:</u>				
Operations	885,438	11,852,876	1,746,828	14,485,142
Maintenance	12,486	355,474	439,879	807,839
Depreciation	2,672	590,888	386,043	979,603
Taxes	-	844,595	46,036	890,631
Total Operating Expenses	900,596	13,643,833	2,618,786	17,163,215
Net Operating Income (Loss)	(30,002)	295,572	(776,816)	(511,246)
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	400	2,034	111	2,545
Gain (Loss) on Sale of Equipment	0	-	-	-
Miscellaneous Income (Expense)	2,250	-	(2,848)	(598)
Interest Expense	-	(36,841)	-	(36,841)
Total Non-Operating Income (Loss)	2,650	(34,807)	(2,737)	(34,894)
<u>INCOME BEFORE OPERATING TRANSFERS:</u>	(27,352)	260,765	(779,553)	(546,140)
Operating Transfers In (Out)	-	-	-	-
Change in Net Position	(27,352)	260,765	(779,553)	(546,140)
Total Net Position - Beginning of Year,	(245,023)	10,275,437	7,892,000	17,922,414
Total Net Position - Ending	\$ (272,375)	\$ 10,536,202	\$ 7,112,447	\$ 17,376,274

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2017

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTALS
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 14,044,485	\$ 1,865,041	\$ 874,886	\$ 16,784,412
Payments to Suppliers	(9,930,932)	(1,198,262)	(645,001)	(11,774,195)
Payments to Employees	(1,275,754)	(462,797)	(272,019)	(2,010,570)
Payments for Other Services and Charges	(1,038,636)	-	-	(1,038,636)
Other Receipts (Payments)	(804,983)	(113,341)	-	(918,324)
Net Cash Provided (Used) In Operating Activities	994,180	90,641	(42,134)	1,042,687
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	(3,904)	-	(3,904)
Due From Other Funds	(16,607)	-	4,292	(12,315)
Net Cash Provided By (Used In) Noncapital Financing Activities	(16,607)	(3,647)	4,292	(15,962)
Cash Flows from Capital and Related Financing Activities:				
Proceeds From Capital Debt	153,764	-	-	153,764
Purchases of Capital Assets	(1,070,247)	(110,801)	-	(1,181,048)
Proceeds From Sale of Capital Assets	-	-	-	-
Principal Paid on Capital Debt	(99,979)	-	-	(99,979)
Interest Paid on Capital Debt	(37,460)	-	-	(37,460)
Other Receipts (Payments)	(208,538)	(2,848)	2,250	(209,136)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(1,262,460)	(113,649)	2,250	(1,373,859)
Cash Flows from Investing Activities:				
Interest and Dividends	1,741	111	400	2,252
Other Receipts (Payments)	19,340	-	-	19,340
Net Cash Provided By (Used In) Investing Activities	21,081	111	400	21,592
Net Increase (Decrease) In Cash and Cash Equivalents	(263,806)	(26,544)	(35,192)	(325,542)
Cash and Cash Equivalents--Beginning	2,952,189	277,150	200,317	3,429,656
Cash and Cash Equivalents--Ending	\$ 2,688,383	\$ 250,606	\$ 165,125	\$ 3,104,114
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 295,572	\$ (776,816)	\$ (30,002)	\$ (511,246)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	590,888	386,043	2,672	979,603
Net Pension Expense	229,565	505,399	(16,330)	718,634
(Increase) Decrease in Accounts Receivable	5,433	22,551	4,292	32,276
(Increase) Decrease in Deferred Credits	-	-	-	-
(Increase) Decrease in Prepaid Items	8,400	(20,492)	-	(12,092)
(Increase) Decrease in Inventory	(110,240)	(3,975)	-	(114,215)
Increase (Decrease) in Accounts Payable	(87,481)	(31,665)	(4,585)	(123,731)
Increase (Decrease) in Accrued Liabilities	(18,351)	9,076	1,819	(7,456)
Increase (Decrease) in Customer Deposits	80,394	520	-	80,914
Increase (Decrease) in Deferred Revenue	-	-	-	-
Total Adjustments	698,608	867,457	(12,132)	1,553,933
Net Cash Provided (Used) In Operating Activities	\$ 994,180	\$ 90,641	\$ (42,134)	\$ 1,042,687

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2017

NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
Judy Tyree	Court	GCM Insurance	\$50,000	6/11/2018
Russell Butler	Zoning	GCM Insurance	\$50,000	6/11/2018
Angie Whitlock	Zoning/Planning	GCM Insurance	\$50,000	7/5/2018
Jamie E. Morgan	City Clerk/Tax Collector	GCM Insurance	\$200,000	4/4/2018
Madison Williams	Finance/AP Clerk	GCM Insurance	\$50,000	2/21/2018
Tami Hester	Finance/AP Clerk	GCM Insurance	\$50,000	5/30/2018
Natasha Pack	Dispatcher	GCM Insurance	\$50,000	12/22/2017
Martha Reeves	Admin PD	GCM Insurance	\$50,000	6/1/2018
Karin Beth Hughes	Dispatcher	GCM Insurance	\$50,000	12/22/2017
Jennifer McClendon	Patrol Officer	GCM Insurance	\$50,000	7/17/2018
Catherine Ligon Houston	Dispatcher	GCM Insurance	\$50,000	7/1/2018
Patricia Gleghorn	Dispatcher	GCM Insurance	\$50,000	3/29/2018
Eric Wiginton	Patrol Officer	GCM Insurance	\$50,000	7/17/2018
Nicholaus L. Weaver	Patrol Officer	GCM Insurance	\$50,000	7/17/2018
Bradley N. Taylor	Patrol Officer	GCM Insurance	\$50,000	7/17/2018
Tracie Carol Poole	Dispatcher	GCM Insurance	\$50,000	12/22/2017
Amber Lynn Roebuck	Dispatcher	GCM Insurance	\$50,000	12/22/2017
Jamica Stalling	P&R	GCM Insurance	\$50,000	11/17/2017
Angela D. Westbrook	P&R	GCM Insurance	\$50,000	11/30/2017
Rory Owen Thornton	P&R Admin	GCM Insurance	\$50,000	12/16/2017
Ronnie Bowen	Police Chief	Clyde C Scott Insurance	\$50,000	7/3/2021
Brad Blalock	Mayor	Clyde C Scott Insurance	\$100,000	7/3/2021
Joe McGonagill	Alderman	Clyde C Scott Insurance	\$100,000	7/3/2021
Buddy Carlsile	Alderman	Clyde C Scott Insurance	\$100,000	7/3/2021
John Darden	Alderman	Clyde C Scott Insurance	\$100,000	7/3/2021
Tony Poss	Alderman	Clyde C Scott Insurance	\$100,000	7/3/2021
Glen R. Bingham	Alderman	Clyde C Scott Insurance	\$100,000	7/3/2021
Faith Ward	Librarian	RLI Insurance Company	\$50,000	5/1/2018
Ruby Holman	Librarian	RLI Insurance Company	\$50,000	6/1/2018

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**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2017**

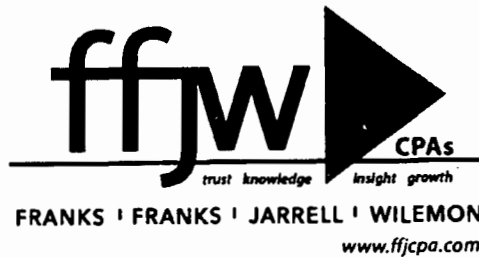
	INTEREST RATE	BALANCE 9-30-16	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-17	CURRENT MATURITIES
<u>LONG-TERM DEBT:</u>						
<u>Governmental Funds</u>						
General Obligations:						
Series 2015	2.250 -3.200%	\$ 1,470,000	\$ -	\$ (30,000)	\$ 1,440,000	\$ 30,000
Total General Obligation Bonds		<u>1,470,000</u>	<u>-</u>	<u>(30,000)</u>	<u>1,440,000</u>	<u>30,000</u>
Other Long-Term Debt:						
CAP Loan - State of Mississippi	3.00%	36,928	-	(36,928)	-	-
Freight Rail Revolving Loan	3.75%	47,585	-	(10,014)	37,571	10,362
Promissory Note-TRPDD	2.00%	<u>75,699</u>	<u>-</u>	<u>(75,699)</u>	<u>-</u>	<u>-</u>
		<u>160,212</u>	<u>-</u>	<u>(122,641)</u>	<u>37,571</u>	<u>10,362</u>
Total Governmental Funds		<u>1,630,212</u>	<u>-</u>	<u>(152,641)</u>	<u>1,477,571</u>	<u>40,362</u>
<u>Proprietary Fund Types Debt</u>						
Other Long-Term Debt:						
Revenue Bonds Series 2005	4.42%	855,000	-	(75,000)	780,000	80,000
Equipment Lease	2.04%	<u>-</u>	<u>153,764</u>	<u>(24,979)</u>	<u>128,785</u>	<u>50,728</u>
Total Proprietary Fund Type Debt		<u>855,000</u>	<u>153,764</u>	<u>(99,979)</u>	<u>908,785</u>	<u>130,728</u>
Total Long-Term Debt		<u>\$ 2,485,212</u>	<u>\$ 153,764</u>	<u>\$ (252,620)</u>	<u>\$ 2,386,356</u>	<u>\$ 171,090</u>

**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF FUNDS RECEIVED FROM
THE MISSISSIPPI LIBRARY COMMISSION
September 30, 2017**

CONTRACT NUMBER	DATE	PROGRAM	PAYMENT RECEIVED
SH17-360-98-0	10/14/2016	Health Insurance Grant	\$ 1,068.00
SH17-360-98-0	11/21/2016	Health Insurance Grant	1,068.00
SH17-360-98-0	12/16/2016	Health Insurance Grant	1,068.00
SH17-360-98-0	1/13/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	2/22/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	3/21/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	4/18/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	5/16/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	6/23/2017	Health Insurance Grant	1,068.00
SH17-360-98-0	7/24/2017	Health Insurance Grant	712.00
SH18-360-98-0	8/22/2017	Health Insurance Grant	712.00
SH18-360-98-0	9/15/2017	Health Insurance Grant	712.00
SL17-361-98-0	10/14/2016	Life Insurance Grant	12.42
SL17-361-98-0	11/21/2016	Life Insurance Grant	12.42
SL17-361-98-0	12/16/2016	Life Insurance Grant	12.42
SL17-361-98-0	1/13/2017	Life Insurance Grant	12.42
SL17-361-98-0	2/22/2017	Life Insurance Grant	12.42
SL17-361-98-0	3/21/2017	Life Insurance Grant	12.42
SL17-361-98-0	4/18/2017	Life Insurance Grant	12.42
SL17-361-98-0	5/16/2017	Life Insurance Grant	12.42
SL17-361-98-0	6/23/2017	Life Insurance Grant	12.42
SL17-361-98-0	7/24/2017	Life Insurance Grant	5.40
SL18-361-98-0	8/22/2017	Life Insurance Grant	5.40
SL18-361-98-0	9/15/2017	Life Insurance Grant	5.40
Total Funds Received			\$ <u>11,875.98</u>

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**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, 2017, 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 March 20, 2018.

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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, 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 deficiencies described in the accompanying schedule of findings and responses as 2017-01 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. We consider the deficiencies described in the accompany schedule of findings and responses as 2017-02 to be a significant deficiency.

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 2017-01 and 2017-02.

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.
Tupelo, Mississippi
March 20, 2018

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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, 2017 and have issued our report dated March 20, 2018. 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 Findings No. 2017-01 and 2017-02.

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.
Tupelo, Mississippi
March 20, 2018

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**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
September 30, 2017**

FINDING NO. 2017-01 (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 expenditure categories for the year ended September 30, 2017.

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 NO. 2017-02 (significant deficiency, noncompliance)

Criteria: The City is to ensure that fund expenditures do not exceed fund revenues and fund cash reserves. The City is to ensure millage rates are established or transfers are made to provide adequate funds to service the debt obligations of the City.

Cause of Condition: The City disbursed funds in excess of cash reserves in the debt service fund. The tax millage or transfers of funds did not provide adequate amounts to service debt obligations of the fund. This resulted in checks issued in excess of pooled cash deposits and a deficit fund balance in the debt service fund.

Recommendation: The City should implement adequate controls to ensure that adequate funds are available to service debt obligations either by means of ad valorem tax millage or by transfers from other funds. The City should ensure adequate equity in pooled cash and fund balances exist in the debt service fund.

Response: The City will ensure that sufficient transfers and or millage is set to provide adequate funds to service the governmental funds debt obligations.