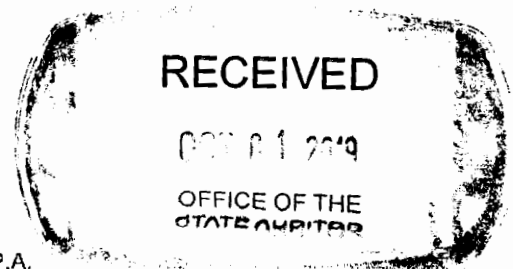




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FINANCIAL STATEMENTS
CITY OF AMORY, MISSISSIPPI
Year Ended September 30, 2018

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



CITY OF AMORY, MISSISSIPPI
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STATE AUDITOR

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

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



Partners
Gary Franks, CPA
Bryan Wilemon, CPA
Jonathan Hagood, CPA
Rudolph Franks, CPA (emeritus)

INDEPENDENT AUDITORS' REPORT

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

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 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, 2017 and ending June 30, 2018.

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 September 25, 2019 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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
September 25, 2019

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CITY OF AMORY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information for the Year ended September 30, 2018

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, 2018. 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 \$27,547,595. This compares to the previous year when assets exceeded liabilities by \$26,990,116.
- As of the close of the current fiscal year, the City of Amory governmental funds reported combined ending fund balances of \$4,507,235, an increase of \$553,660 in comparison to the prior year. Approximately 84% of the combined fund balances, \$3,798,795 is considered unassigned and is available for spending at the City of Amory discretion.
- The City of Amory's total debt is \$2,288,800. New debt of \$100,640 was issued in the current fiscal year. Debt in the amount of \$198,196 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

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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 \$27,547,595 at the close of the most recent fiscal year.

A large portion, 100%, 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	
	2018	2017	2018	2017	2018	2017
Current and Other Assets:	\$ 5,951,794	\$ 4,748,523	\$ 6,896,848	\$ 6,795,118	\$12,848,642	\$ 11,543,641
Capital Assets	14,270,341	14,508,141	18,814,345	18,666,904	33,084,686	33,175,045
Total Assets	20,222,135	19,256,664	25,711,193	25,462,022	45,933,328	44,718,686
Deferred Outflows:	153,814	368,062	287,199	754,290	441,013	1,122,352
Total Deferred Outflows	153,814	368,062	287,199	754,290	441,013	1,122,352
Current and Other Liabilities:	748,017	723,054	3,209,617	3,147,358	3,957,634	3,870,412
Long-Term Liabilities	8,676,903	8,460,071	5,378,660	5,890,886	14,055,563	14,350,957
Total Liabilities	9,424,920	9,183,125	8,588,277	9,038,244	18,013,197	18,221,369
Deferred Inflows:	552,435	472,435	261,114	157,118	813,549	629,553
Total Deferred Inflows	552,435	472,435	261,114	157,118	813,549	629,553
Net Position:						
Net Investment in						
Capital Assets	12,759,598	13,030,570	18,036,288	17,758,119	30,795,886	30,788,689
Restricted	441,378	447,863	161,772	161,422	603,150	609,285
Unrestricted (Deficit)	(2,802,382)	(3,509,267)	(1,049,059)	(898,591)	(3,851,441)	(4,407,858)
Total Net Position	\$10,398,594	\$ 9,969,166	\$17,149,001	\$17,020,950	\$27,547,595	\$ 26,990,116

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 (\$1,049,059) 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 11.96 percent of the City of Amory's revenue comes from property taxes, with 26.24 percent of all revenue coming from some type of tax. (See Table A-2.) Another 70.96 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.

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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	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$ 535,477	\$ 559,314	\$ 16,681,471	\$ 16,651,969	\$17,216,948	\$17,211,283
Operating Grants & Contributions	14,520	8,273			14,520	8,273
Capital Grants & Contributions	-	87,483			-	87,483
General Revenues:						
Property Taxes	2,902,801	2,380,012			2,902,801	2,380,012
Other Taxes	3,465,200	3,537,462			3,465,200	3,537,462
Intergovernmental Revenues	615,058	590,930			615,058	590,930
Investment Income	3,467	8,741	2,859	2,545	6,326	11,286
Other	<u>42,512</u>	<u>38,537</u>	<u>1,039</u>	<u>2,250</u>	<u>43,551</u>	<u>40,787</u>
Total Revenues	7,579,035	7,210,752	16,685,369	16,656,764	24,264,404	23,867,516
Expenses						
General Government	1,128,383	1,135,017			1,128,383	1,135,017
Public Safety	3,372,214	3,106,438			3,372,214	3,106,438
Public Works	1,366,341	1,478,954			1,366,341	1,478,954
Urban & Economic Development	168,455	163,413			168,455	163,413
Culture & Recreation	1,070,139	1,127,397			1,070,139	1,127,397
Water & Sewer	-	-	2,147,335	2,621,634	2,147,335	2,621,634
Electric	-	-	13,552,892	13,680,674	13,552,892	13,680,674
Solid Waste Management	-	-	857,091	900,596	857,091	900,596
Interest on Long-Term Debt	<u>44,075</u>	<u>46,652</u>	<u>-</u>	<u>-</u>	<u>44,075</u>	<u>46,652</u>
Total Expenses	<u>7,149,607</u>	<u>7,057,871</u>	<u>16,557,318</u>	<u>17,202,904</u>	<u>23,706,925</u>	<u>24,260,775</u>
Excess of Revenue Over Expenses	429,428	152,881	128,051	(546,140)	557,479	(393,259)
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	429,428	152,881	128,051	(546,140)	557,479	(393,259)
Net Position—Beginning	<u>9,969,166</u>	<u>9,816,295</u>	<u>17,020,950</u>	<u>17,567,090</u>	<u>26,990,116</u>	<u>27,383,375</u>
Net Position—Ending	<u>\$ 10,398,594</u>	<u>\$ 9,969,166</u>	<u>\$ 17,149,001</u>	<u>\$ 17,020,950</u>	<u>\$ 27,547,595</u>	<u>\$ 26,990,116</u>

Governmental Activities

Governmental activities increased the City's net position by \$429,428, thereby accounting for 77.03 percent of the total increase 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 (46 percent), property taxes (38 percent), and charges for services (7 percent).

The largest expense category for the City's governmental activities are public safety (47 percent), public works (19 percent), and general government (16 percent).

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

Business-type activities increased the City's net position by \$128,051, accounting for 23 percent of the increase 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 \$1,848,097 for water and sewer, \$13,941,712 for electric, and \$891,662 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 \$3,798,795, which comprised 94 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 65% of total fund expenditures. The fund balance of the City's general fund increased by \$463,360 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$25,424, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$96,785.

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 \$210,923, 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 \$0.

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 \$17,149,001. Changes in net position, which totaled a increase of \$128,051, were as follows: the electric fund increased by \$390,630, the water & sewer fund decreased by \$299,127, and the solid waste management fund increased by \$36,548.

CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Highlights

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

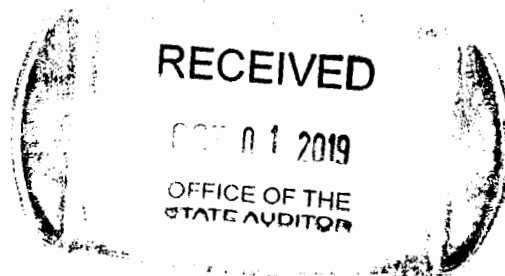
The City's 2017 - 18 general fund operating budget increased by approximately \$154,617 during the current fiscal year. This increase was primarily related to increases in planning and zoning department personnel services and urban and economic development other services and charges expenditures.

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, 2018, amounted to \$33,084,686, net of accumulated depreciation of \$34,626,952. 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,288,571	\$ 1,288,571	\$ 231,678	\$ 231,678	\$ 1,520,249	\$ 1,520,249
Buildings	5,682,684	5,682,684	703,454	701,566	6,386,138	6,384,250
Improvements	6,295,831	5,922,417	32,080,218	31,209,398	38,376,049	37,131,815
Machinery & Equipment	3,589,662	3,391,407	3,451,368	2,907,520	7,041,030	6,770,772
Infrastructure	13,526,244	13,526,244	-	-	13,526,244	13,526,244
Construction-in-progress	97,611	333,470	764,317	1,061,909	861,928	1,395,379
Accumulated Depreciation	(16,210,262)	(15,636,652)	(18,416,690)	(17,917,012)	(34,626,952)	(33,553,664)
Total	\$ 14,270,341	\$ 14,508,141	\$ 18,814,345	\$ 18,666,904	\$ 33,084,686	\$ 33,175,045



CITY OF AMORY, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the city had \$2,288,800 in bonds and notes outstanding. More detailed information about the city of Amory's long-term liabilities is presented in the notes to the financial statements.

Table A-4

	City of Amory's Outstanding Debt					
	Governmental		Business-Type			
	Activities		Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 1,410,000	\$ 1,440,000	\$ -	\$ -	\$ 1,410,000	\$ 1,440,000
Revenue Bonds	-	-	700,000	780,000	700,000	780,000
Promissory Notes	100,743	37,571	78,057	128,785	178,800	166,356
Total	\$ 1,510,743	\$ 1,477,571	\$ 778,057	\$ 908,785	\$ 2,288,800	\$ 2,386,356

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 2019 budget. The total budgeted appropriations for the City operations in the general fund are \$7,399,384. This budget reflects an increase of approximately \$68,000 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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash on Deposit	\$ 4,601,439	\$ 2,485,695	\$ 7,087,134
Money Market, CD's	134,376	728,465	862,841
Accounts Receivable, Net	-	2,522,314	2,522,314
Court Fines Receivable, Net	194,121	-	194,121
Property Taxes Receivable	686,469	-	686,469
Other Receivables	31,799	-	31,799
Notes Receivable	1,223	-	1,223
Due From Other Funds	88,298	199,191	287,489
Due From Other Governments	213,718	-	213,718
Accrued Interest	351	-	351
Prepaid Expenses	-	35,011	35,011
Inventories	-	569,392	569,392
Deferred Debits	-	1,982	1,982
Notes Receivable	-	63,005	63,005
Nonutility Property, net	-	291,793	291,793
Capital Assets:			
Land	1,288,571	231,678	1,520,249
Improvements Other than Buildings	6,295,831	32,080,218	38,376,049
Plant, Buildings and Improvements	5,682,684	703,454	6,386,138
Machinery and Equipment	3,589,662	3,451,368	7,041,030
Infrastructure	13,526,244	-	13,526,244
Construction in Progress	97,611	764,317	861,928
Accumulated Depreciation	(16,210,262)	(18,416,690)	(34,626,952)
TOTAL ASSETS	\$ 20,222,135	\$ 25,711,193	\$ 45,933,328
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 153,814	\$ 287,199	\$ 441,013
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 153,814	\$ 287,199	\$ 441,013



CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Accounts Payable and Accrued Expenses	\$ 415,011	\$ 1,604,050	2,019,061
Due to Other Funds	999	388,180	389,179
Unearned Revenue	147,959	-	147,959
Long-Term Liabilities, Due Within one Year			
General Obligation Bonds	30,000	-	30,000
Revenue Bonds	-	85,000	85,000
Notes Payable	34,072	51,772	85,844
Long-Term Liabilities, Due in More Than one Year			
General Obligation Bonds	1,380,000	-	1,380,000
Revenue Bonds	-	615,000	615,000
Notes Payable	66,671	26,285	92,956
Net Pension Liability	7,230,232	4,667,226	11,897,458
Customer Deposits	-	974,899	974,899
Accrued Compensated Absences	119,976	105,716	225,692
Advances TVA - Home Insulation Loans	-	70,149	70,149
TOTAL LIABILITIES	9,424,920	8,588,277	18,013,197
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	\$ 552,435	\$ 261,114	\$ 813,549
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 552,435	\$ 261,114	\$ 813,549
<u>NET POSITION</u>			
Net Investment in Capital Assets	12,759,598	18,036,288	30,795,886
Restricted for:			
Debt Service	-	161,772	161,772
Capital Projects	230,455	-	230,455
Special Revenue	210,923	-	210,923
Unrestricted (Deficit)	(2,802,382)	(1,049,059)	(3,851,441)
TOTAL NET POSITION	\$ 10,398,594	\$ 17,149,001	\$ 27,547,595

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Net Position		
		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	\$ 1,128,383	\$ 105,012	\$ 3,648	\$ -	\$ 108,660	\$ (1,019,723)	\$ -	\$ (1,019,723)
Public Safety	3,372,214	190,993	10,872	-	201,865	(3,170,349)	-	(3,170,349)
Public Works	1,366,341	-	-	-	-	(1,366,341)	-	(1,366,341)
Urban and Economic Development	168,455	88,537	-	-	88,537	(79,918)	-	(79,918)
Culture and Recreation	1,070,139	150,935	-	-	150,935	(919,204)	-	(919,204)
Interest on Long-Term Debt	44,075	-	-	-	-	(44,075)	-	(44,075)
TOTAL GOVERNMENTAL ACTIVITIES	7,149,607	535,477	14,520	-	549,997	(6,599,610)	-	(6,599,610)
Business-Type Activities:								
Water and Sewer	2,147,335	1,848,097	-	-	1,848,097	-	(299,238)	(299,238)
Electric	13,552,892	13,941,712	-	-	13,941,712	-	388,820	388,820
Solid Waste Management	857,091	891,662	-	-	891,662	-	34,571	34,571
TOTAL BUSINESS-TYPE ACTIVITIES	16,557,318	16,681,471	-	-	16,681,471	-	124,153	124,153
TOTAL PRIMARY GOVERNMENT	\$ 23,706,925	\$ 17,216,948	\$ 14,520	\$ -	\$ 17,231,468	\$ (6,599,610)	\$ 124,153	\$ (6,475,457)
GENERAL REVENUES:								
Taxes:								
Property Taxes, Levied for General Purposes						\$ 2,902,801	\$ -	\$ 2,902,801
Sales Taxes						1,936,846	-	1,936,846
County Pro Rata Taxes						514,133	-	514,133
Franchise Taxes						97,462	-	97,462
In Lieu Taxes						898,759	-	898,759
Gasoline Taxes & Other Taxes						18,000	-	18,000
Homestead Reimbursement						158,002	-	158,002
Fire Protection Allocation						101,762	-	101,762
Grants and Contributions not Restricted to Specific Programs						355,294	-	355,294
Investment Earnings						3,467	2,859	6,326
Gain (Loss) on Asset Disposal						(3,207)	-	(3,207)
Miscellaneous						45,719	1,039	46,758
Transfers						-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						7,029,038	3,898	7,032,936
CHANGE IN NET POSITION						429,428	128,051	557,479
NET POSITION--BEGINNING						9,969,166	17,020,950	26,990,116
NET POSITION--ENDING						\$ 10,398,594	\$ 17,149,001	\$ 27,547,595

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

**CITY OF AMORY, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018**

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>			
Cash on Deposit	\$ 4,155,903	\$ 445,536	\$ 4,601,439
Money Market, CD's	91,765	42,611	134,376
Other Receivables	31,799	-	31,799
Notes Receivable	-	1,223	1,223
Due From Other Funds	88,298	-	88,298
Due From Other Governments	213,718	-	213,718
Accrued Interest	351	-	351
TOTAL ASSETS	\$ 4,581,834	\$ 489,370	\$ 5,071,204
<u>LIABILITIES AND FUND BALANCES:</u>			
<u>LIABILITIES:</u>			
Accounts Payable and Accrued Expenses	\$ 392,443	\$ 22,568	\$ 415,011
Due to Other Funds	999	-	999
Unearned Revenue	147,959	-	147,959
TOTAL LIABILITIES	\$ 541,401	\$ 22,568	\$ 563,969
<u>FUND BALANCES:</u>			
Nonspendable	43,672	-	43,672
Committed			
BiCentennial CD	2,625	-	2,625
Debt Service Funds	-	25,424	25,424
Library	176,070	-	176,070
Restricted			
Capital Projects	-	230,455	230,455
Fire Protection	-	122,708	122,708
Police/Narcotics	-	36,025	36,025
CDBG Repayment	-	17,439	17,439
Museum	-	34,751	34,751
Assigned	19,271	-	19,271
Unassigned	3,798,795	-	3,798,795
TOTAL FUND BALANCES	\$ 4,040,433	\$ 466,802	\$ 4,507,235

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, 2018**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,507,235
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.	14,270,341
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(1,510,743)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(119,976)
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.	686,469
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(7,230,232)
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	153,814
Deferred inflows of resources related to defined benefit pension plan	(552,435)
Accrual of court fine revenues to qualify as financial resources.	<u>194,121</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 10,398,594</u>

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the year ended September 30, 2018

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
General Property Taxes	\$ 2,308,350	\$ -	\$ 2,308,350
Sales and Use Taxes	1,936,846	-	1,936,846
Licenses and Permits	43,432	-	43,432
Franchise Fees	97,462	-	97,462
Penalties and Interest	61,580	-	61,580
Intergovernmental Revenues	1,603,414	101,762	1,705,176
Grant Income	346,113	-	346,113
Charges for Services	150,935	-	150,935
Fines and Forfeits	140,376	-	140,376
Interest Income	2,811	656	3,467
Wharfage Fees	88,537	-	88,537
Donations/Contributions	9,181	-	9,181
Miscellaneous Revenues	16,889	28,830	45,719
TOTAL REVENUES	6,805,926	131,248	6,937,174
EXPENDITURES:			
Current:			
General Government	1,025,095	-	1,025,095
Public Safety	3,043,894	112,484	3,156,378
Public Works	1,134,018	-	1,134,018
Culture and Recreation	895,653	25,249	920,902
Urban and Economic Development	139,138	-	139,138
Debt Service	27,067	84,476	111,543
TOTAL EXPENDITURES	6,264,865	222,209	6,487,074
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	541,061	(90,961)	450,100
OTHER FINANCING SOURCES (USES):			
Transfers to Other Funds	(181,261)	-	(181,261)
Transfers from Other Funds	-	181,261	181,261
Proceeds from Sale of Capital Assets	2,920	-	2,920
Proceeds from Issuance of Debt and Capital Lease	100,640	-	100,640
TOTAL OTHER FINANCING SOURCES (USES)	(77,701)	181,261	103,560
NET CHANGE IN FUND BALANCES	463,360	90,300	553,660
FUND BALANCES - Beginning	3,577,073	376,502	3,953,575
FUND BALANCES - Ending	\$ 4,040,433	\$ 466,802	\$ 4,507,235

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

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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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 553,660

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. 387,051

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. (618,724)

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. (6,127)

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. 594,451

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. 50,617

(Increase) decrease in accrual of compensated absences. 3,290

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. (501,618)

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 debt 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. (100,640)

This amount represents long-term debt repayments and issuance costs. 67,468

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 429,428

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, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
General Property Taxes	\$ 2,360,000	\$ 2,360,000	\$ 2,307,717	\$ (52,283)
Sales and Use Taxes	1,850,000	1,850,000	1,939,471	89,471
Licenses and Permits	24,300	24,300	43,432	19,132
Franchise Fees	67,000	67,000	97,462	30,462
Penalties and Interest	15,000	15,000	61,580	46,580
Intergovernmental Revenues	1,482,000	1,482,000	1,603,414	121,414
Grant Income	530,515	530,515	346,113	(184,402)
Charges for Services	130,600	130,600	150,935	20,335
Fines and Forfeits	137,000	137,000	140,270	3,270
Interest Income	135	135	2,811	2,676
Wharfage Fees	100,000	100,000	90,981	(9,019)
Donations/Contributions	55,000	55,000	9,181	(45,819)
Miscellaneous Revenues	8,750	8,750	16,627	7,877
TOTAL REVENUES	6,760,300	6,760,300	6,809,994	49,694
EXPENDITURES:				
Current:				
General Government	1,088,409	1,190,571	1,025,095	165,476
Public Safety	3,179,985	3,182,654	2,970,321	212,333
Public Works	1,228,010	1,235,796	1,134,018	101,778
Culture and Recreation	1,141,335	1,141,335	895,653	245,682
Urban and Economic Development	510,750	552,750	139,138	413,612
TOTAL EXPENDITURES	7,148,489	7,303,106	6,164,225	1,138,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(388,189)	(542,806)	645,769	1,188,575
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	(183,924)	(183,924)	(181,261)	2,663
Proceeds from Sale of Capital Assets	-	-	2,920	2,920
Lease Payments	3,600	3,600	-	(3,600)
TOTAL OTHER FINANCING SOURCES (USES)	(180,324)	(180,324)	(178,341)	1,983
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (568,513)	\$ (723,130)	\$ 467,428	\$ 1,190,558

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

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUNDS			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTAL
<u>ASSETS:</u>				
<u>Current Assets:</u>				
Cash	\$ 2,085,091	\$ 213,478	\$ 187,126	\$ 2,485,695
Money Market, CD's	616,720	111,745	-	728,465
Accounts Receivables	2,156,831	250,933	114,550	2,522,314
Due from Other Funds	125,763	-	73,428	199,191
Inventories	482,084	87,308	-	569,392
Deferred Debits	-	1,982	-	1,982
Prepaid Expenses	-	35,011	-	35,011
Total Current Assets	<u>5,466,489</u>	<u>700,457</u>	<u>375,104</u>	<u>6,542,050</u>
<u>Noncurrent Assets:</u>				
<u>Restricted Assets:</u>				
Due From Home Owner For				
Conservation Loans	63,005	-	-	63,005
Nonutility Property, net	291,793	-	-	291,793
<u>Capital Assets:</u>				
Land	106,483	125,195	-	231,678
Buildings	339,006	251,909	112,539	703,454
Improvements Other Than Building	17,206,655	14,873,563	-	32,080,218
Machinery & Equipment	1,938,013	1,195,689	317,666	3,451,368
Accumulated Depreciation	(9,627,826)	(8,451,836)	(337,028)	(18,416,690)
Construction Work In Progress	488,932	275,385	-	764,317
Total Noncurrent Assets	<u>10,806,061</u>	<u>8,269,905</u>	<u>93,177</u>	<u>19,169,143</u>
Total Assets	<u>\$ 16,272,550</u>	<u>\$ 8,970,362</u>	<u>\$ 468,281</u>	<u>\$ 25,711,193</u>
<u>Deferred Outflows of Resources:</u>				
Deferred Amounts Related to Pensions	\$ 240,534	\$ 33,511	\$ 13,154	\$ 287,199
Total Deferred Outflows of Resources	<u>\$ 240,534</u>	<u>\$ 33,511</u>	<u>\$ 13,154</u>	<u>\$ 287,199</u>

CITY OF AMORY, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2018

	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	\$ 1,476,932	\$ 74,637	\$ 52,481	\$ 1,604,050
Compensated Absences	49,216	48,052	8,448	105,716
Due to Other Funds	96	388,084	-	388,180
Long-Term Debt Due Within One Year	136,772	-	-	136,772
Deferred Credits	-	-	-	-
Customer Deposits	967,170	7,729	-	974,899
Total Current Liabilities	<u>2,630,186</u>	<u>518,502</u>	<u>60,929</u>	<u>3,209,617</u>
<u>Long-Term Liabilities:</u>				
Net Pension Liability	2,493,509	1,560,982	612,735	4,667,226
Long-Term Debt Due in				
More than One Year	641,285	-	-	641,285
Advances from Others- TVA	70,149	-	-	70,149
Total Long-Term Liabilities	<u>3,204,943</u>	<u>1,560,982</u>	<u>612,735</u>	<u>5,378,660</u>
Total Liabilities	\$ <u>5,835,129</u>	\$ <u>2,079,484</u>	\$ <u>673,664</u>	\$ <u>8,588,277</u>
<u>Deferred Inflow of Resources:</u>				
Deferred Amounts Related to Pensions	\$ 106,447	\$ 111,069	\$ 43,598	\$ 261,114
Total Deferred Inflows of Resources	\$ <u>106,447</u>	\$ <u>111,069</u>	\$ <u>43,598</u>	\$ <u>261,114</u>
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	9,673,206	8,269,905	93,177	18,036,288
Restricted for:				
Debt Service	161,772	-	-	161,772
Unrestricted	736,530	(1,456,585)	(329,004)	(1,049,059)
Total Net Position (Deficit)	\$ <u>10,571,508</u>	\$ <u>6,813,320</u>	\$ <u>(235,827)</u>	\$ <u>17,149,001</u>

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

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CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION-
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 13,941,712	\$ 1,848,097	\$ 891,662	\$ 16,681,471
Total Operating Revenue	13,941,712	1,848,097	891,662	16,681,471
<u>OPERATING EXPENSES:</u>				
Operations	11,777,576	1,350,274	847,027	13,974,877
Maintenance	306,469	365,837	7,432	679,738
Depreciation	592,994	383,468	2,632	979,094
Taxes	841,435	46,673	-	888,108
Total Operating Expenses	13,518,474	2,146,252	857,091	16,521,817
Net Operating Income (Loss)	423,238	(298,155)	34,571	159,654
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	1,810	111	938	2,859
Miscellaneous Income (Expense)	-	(1,083)	1,039	(44)
Interest Expense	(34,418)	-	-	(34,418)
Total Non-Operating Income (Loss)	(32,608)	(972)	1,977	(31,603)
Income (Loss) before Operating Transfers	390,630	(299,127)	36,548	128,051
<u>OPERATING TRANSFERS IN (OUT)</u>				
Change in Net Position	390,630	(299,127)	36,548	128,051
Total Net Position (Deficit)-Beginning of Year	10,180,878	7,112,447	(272,375)	17,020,950
Total Net Position (Deficit)-End of Year	\$ 10,571,508	\$ 6,813,320	\$ (235,827)	\$ 17,149,001

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, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			TOTALS
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 13,875,860	\$ 1,847,964	\$ 886,306	\$ 16,610,130
Payments to Suppliers	(9,610,600)	(1,047,036)	(653,175)	(11,310,811)
Payments to Employees	(1,287,971)	(465,720)	(207,751)	(1,961,442)
Payments for Other Services and Charges	(1,029,814)	-	-	(1,029,814)
Other Receipts (Payments)	(773,354)	(121,847)	-	(895,201)
Net Cash Provided by (Used in) Operating Activities	<u>1,174,121</u>	<u>213,361</u>	<u>25,380</u>	<u>1,412,862</u>
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	(112,387)	-	(112,387)
Due From Other Funds	27,671	-	(5,356)	22,315
Transfers Out	-	75,397	-	75,397
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>27,671</u>	<u>(36,990)</u>	<u>(5,356)</u>	<u>(14,675)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(871,529)	(100,782)	-	(972,311)
Principal Paid on Capital Debt	(130,728)	-	-	(130,728)
Interest Paid on Capital Debt	(35,077)	-	-	(35,077)
Other Receipts (Payments)	(178,505)	(1,083)	1,039	(178,549)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(1,215,839)</u>	<u>(101,865)</u>	<u>1,039</u>	<u>(1,316,665)</u>
Cash Flows from Investing Activities:				
Interest and Dividends	1,666	111	938	2,715
Other Receipts (Payments)	25,809	-	-	25,809
Net Cash Provided By (Used In) Investing Activities	<u>27,475</u>	<u>111</u>	<u>938</u>	<u>28,524</u>
Net Increase (Decrease) In Cash and Cash Equivalents	13,428	74,617	22,001	110,046
Cash and Cash Equivalents--Beginning	<u>2,688,383</u>	<u>250,606</u>	<u>165,125</u>	<u>3,104,114</u>
Cash and Cash Equivalents--Ending	<u>\$ 2,701,811</u>	<u>\$ 325,223</u>	<u>\$ 187,126</u>	<u>\$ 3,214,160</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 423,238	\$ (298,155)	\$ 34,571	\$ 159,654
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	592,994	383,468	2,632	979,094
Net Pension Expense	134,426	92,294	(6,806)	219,914
(Increase) Decrease in Accounts Receivable	(123,728)	767	(5,356)	(128,317)
(Increase) Decrease in Prepaid Expenses	-	(936)	-	(936)
(Increase) Decrease in Inventories	3,600	(2,392)	-	1,208
Increase (Decrease) in Accounts Payable	79,572	26,594	(1,512)	104,654
Increase (Decrease) in Accrued Liabilities	23,528	12,621	1,851	38,000
Increase (Decrease) in Customer Deposits	40,491	(900)	-	39,591
Total Adjustments	<u>750,883</u>	<u>511,516</u>	<u>(9,191)</u>	<u>1,253,208</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ 1,174,121</u>	<u>\$ 213,361</u>	<u>\$ 25,380</u>	<u>\$ 1,412,862</u>

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

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

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, 2018**

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.

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**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

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, 2018**

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, 2018**

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 and Investments

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.

State statutes authorize the City to invest in obligations of the U.S. Treasury, State of Mississippi, or of any county or municipality of the State of Mississippi.

Investments are represented by certificated of deposits and are stated at cost, plus accrued interest.

Receivables

Receivables at September 30, 2018, 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, 2018 were fully collectible except as discussed below.

The accrual amount of court fine receivables on the Statement of Net Position has been reduced by \$370,792 to reflect the provision for uncollectible fines as determined by management's estimate.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

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.

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.

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:

- **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.

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**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

- **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 \$19,271 of assigned fund balances as of September 30, 2018.
- **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, 2018**

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:

	2018		2017	
	City	School District	City	School District
General Fund	38.40		36.40	-
Library Fund	3.00		3.00	-
School Debt Service Fund				
2014 Shortfall Note	-		-	0.25
2016 Shortfall Note	-	0.63	-	-
2016 Three Mill Note	-		-	2.65
2017 Three Mill Note	-	2.57	-	-
School Maintenance Fund	-	42.85	-	40.65
Total	41.40	46.05	39.40	43.55

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

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

	Enterprise	
	2018	2017
Electric Fund	\$ 20,079,089	\$ 19,532,726
Solid Waste Management Fund	430,205	430,205
Combined Water & Sewer Fund	<u>16,721,741</u>	<u>16,620,985</u>
Total	37,231,035	36,583,916
Less: Accumulated Depreciation	<u>18,416,690</u>	<u>17,917,012</u>
Net	<u>\$ 18,814,345</u>	<u>\$ 18,666,904</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.

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**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

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, 2018, 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, 2018

NOTE 5 - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2018:

Primary Government:

Governmental Activities:

	Balance 10/1/2017	Additions	Reclass/ Disposals	Balance 9/30/2018
Capital Assets, not being depreciated:				
Land	\$ 1,288,571	\$ -	\$ -	\$ 1,288,571
Construction in Progress	<u>333,470</u>	<u>137,555</u>	<u>(373,414)</u>	<u>97,611</u>
Total Capital Assets, not being depreciated	1,622,041	137,555	(373,414)	1,386,182
Capital Assets being depreciated				
Plant, Buildings & Improvements	11,605,101	373,414	-	11,978,515
Infrastructure	13,526,244	-	-	13,526,244
Machinery & Equipment	<u>3,391,407</u>	<u>249,496</u>	<u>(51,241)</u>	<u>3,589,662</u>
Total Capital Assets being depreciated	28,522,752	622,910	(51,241)	29,094,421
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(5,120,415)	(327,771)	-	(5,448,187)
Machinery & Equipment	(2,595,123)	(171,220)	45,114	(2,721,229)
Infrastructure	<u>(7,921,114)</u>	<u>(119,733)</u>	<u>-</u>	<u>(8,040,846)</u>
Total Accumulated Depreciation	(15,636,652)	(618,724)	45,114	(16,210,262)
Total Capital Assets, depreciated, net	<u>12,886,100</u>	<u>4,186</u>	<u>(6,127)</u>	<u>12,884,159</u>
Primary Government Capital Assets, net	\$ <u>14,508,141</u>	\$ <u>141,741</u>	\$ <u>(379,541)</u>	\$ <u>14,270,341</u>

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

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 5 - CAPITAL ASSETS (continued)

A summary of business-type capital asset activity at September 30, 2018 follows:

Business-Type Activities:

	Balance 10/1/2017	Additions	Reclass/ Disposals	Balance 9/30/2018
Capital Assets, not being depreciated:				
Land	\$ 231,678	\$ -	\$ -	\$ 231,678
Construction in Progress	<u>1,061,909</u>	<u>132,919</u>	<u>(430,511)</u>	<u>764,317</u>
Total Capital Assets, not being depreciated	1,293,587	132,919	(430,511)	995,995
Capital Assets being depreciated				
Plant, Buildings & Improvements	31,910,964	1,280,556	(407,848)	32,783,672
Machinery & Equipment	<u>3,379,365</u>	<u>94,029</u>	<u>(22,026)</u>	<u>3,451,368</u>
Total Capital Assets being depreciated	35,290,329	1,374,585	(429,874)	36,235,040
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(15,797,677)	(812,807)	479,416	(16,131,068)
Machinery & Equipment	<u>(2,119,335)</u>	<u>(166,287)</u>	<u>-</u>	<u>(2,285,622)</u>
Total Accumulated Depreciation	(17,917,012)	(979,094)	479,416	(18,416,690)
Total Capital Assets, depreciated, net	<u>17,373,317</u>	<u>395,491</u>	<u>49,542</u>	<u>17,818,350</u>
Primary Government Capital Assets, net	\$ <u>18,666,904</u>	\$ <u>528,410</u>	\$ <u>(380,969)</u>	\$ <u>18,814,345</u>

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

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

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

Governmental Activities:

General Government	\$ 54,698
Public Safety	120,515
Public Works	148,185
Urban and Economic Development	150,863
Culture and Recreation	<u>144,463</u>

Total Depreciation Expense – Governmental Activities \$ 618,724

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CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 5 - CAPITAL ASSETS (continued)

Business-type Activities:

Electric Department	\$ 592,994
Water and Sewer	383,468
Solid Waste	<u>2,632</u>

Total Depreciation Expense – Business-type Activities	\$ <u>979,094</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 \$511,581 as of September 30, 2018 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>	
2019	\$ 64,072	\$ 46,797	\$ 136,772	\$ 30,558	\$ 278,199
2020	65,671	44,523	116,285	26,120	252,599
2021	91,000	42,201	95,000	22,273	250,474
2022	60,000	39,454	100,000	18,283	217,737
2023	60,000	38,103	105,000	14,083	217,186
2024-2028	725,000	153,181	225,000	14,565	1,117,746
2029-2031	<u>445,000</u>	<u>21,440</u>	<u>-</u>	<u>-</u>	<u>466,440</u>
Total	<u>\$ 1,510,743</u>	<u>\$ 385,699</u>	<u>\$ 778,057</u>	<u>\$ 125,882</u>	<u>\$ 2,800,381</u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 6 - LONG-TERM DEBT (continued)

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

<u>Governmental Activities</u>	<u>Balance</u> <u>10/01/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/18</u>	<u>Current</u> <u>Maturity</u>
MDA Rail Loan - \$133,464 with interest at 3.75%, maturing on April 1, 2021	\$ 37,571	\$ -	\$ 10,401	\$ 27,170	\$ 10,757
Capital Lease - \$100,640 with interest at 3.00% maturing on March 13, 2022	-	100,640	27,067	73,573	23,315
General Obligation Bond Series 2015 - \$1,500,000 with interest at 2.250% to 3.200%, maturing on July 1, 2030	<u>1,440,000</u>	<u>-</u>	<u>30,000</u>	<u>1,410,000</u>	<u>30,000</u>
	<u>\$ 1,477,571</u>	<u>\$ 100,640</u>	<u>\$ 67,468</u>	<u>\$ 1,510,743</u>	<u>\$ 64,072</u>
 <u>Business-Type Activities</u>	 <u>Balance</u> <u>10/01/17</u>	 <u>Issued</u>	 <u>Retired</u>	 <u>Balance</u> <u>09/30/18</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	\$ 780,000	\$ -	\$ 80,000	\$ 700,000	\$ 85,000
Capital Lease - \$153,764 with interest at 2.04% maturing on December 29, 2019	<u>128,785</u>	<u>-</u>	<u>50,728</u>	<u>78,057</u>	<u>51,772</u>
	<u>\$ 908,785</u>	<u>\$ -</u>	<u>\$ 130,728</u>	<u>\$ 778,057</u>	<u>\$ 136,772</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 7 - DUE FROM/TO INTERFUND BALANCES

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 88,298	\$ 999
Enterprise Funds:		
Solid Waste Management Fund	73,428	-
Water and Sewer Fund	-	388,084
Electric Department	<u>125,763</u>	<u>96</u>
Total	<u>\$ 287,489</u>	<u>\$ 389,179</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, 2018. The following is a reconciliation of the difference:

Due from Water and Sewer Fund on June 30, 2018 per Electric Fund	\$ 125,763	
Due to Water and Sewer Fund on June 30, 2018 per Electric Fund	-	
Due to General Fund on June 30, 2018 per Electric Fund	<u>(96)</u>	\$ 125,667
Due from Electric Fund on September 30, 2018 per General Fund	87,299	
Due from Electric Fund on September 30, 2018 per Solid Waste Fund	73,428	
Due to Electric Fund on September 30, 2018 per Water and Sewer Fund	<u>(388,084)</u>	<u>(227,357)</u>
		<u>\$ (101,690)</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, 2018 totaled approximately \$1,346,026. This represented approximately 10% of this Enterprise Fund's total revenues.

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

Employee membership data related to the Plan, as of June 30, 2018 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	104,973
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,578
Inactive Members Assumed Not to Receive Service Retirement Benefits	52,763
Active Members	<u>150,687</u>
Total	<u>325,001</u>

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

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

Inactive Members of Beneficiaries Currently Receiving Benefits	102,260
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,682
Inactive Members Assumed Not to Receive Service Retirement Benefits	50,170
Active Members	<u>152,382</u>
Total	<u>321,494</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, 2018, the City of Amory's total payroll for all employees was \$5,594,340. Total covered payroll was also \$5,552,679. 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, 2018, the City of Amory (including the Amory Municipal Library), reported a liability of \$9,403,949 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the City of Amory-Electric Department reported a liability of \$2,493,509 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. 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, 2018, the City of Amory's proportion was 0.056538%. At June 30, 2017, The City of Amory-Electric's proportion was 0.014843%.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

For the year ended September 30, 2018, the City of Amory recognized pension expense of \$587,107. At September 30, 2018, 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	\$ 41,226	\$ 39,643
City Pension Contributions Subsequent to the Measurement Date	153,705	-
Changes of Assumptions	5,548	5,194
Net Difference Between Projected and Actual Investment Earnings on Investments	-	186,936
Changes in Proportion and Differences Between ER Contributions and Proportionate Share Of ER Contributions	-	475,329
Total	\$ <u>200,479</u>	\$ <u>707,102</u>

For the year ended June 30, 2018, the City of Amory-Electric Department recognized pension expense of \$283,715. At June 30, 2018, 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	\$ 35,824	\$ 18,194
City Pension Contributions Subsequent to the Measurement Date	149,289	-
Changes of Assumptions	55,421	4,249
Changes in Proportion and Differences Between ER Contributions and Proportionate Share of ER Contributions	-	51,989
Net Difference Between Projected and Actual Earnings on Pension Plan Assets	-	32,015
Total	\$ <u>240,534</u>	\$ <u>106,447</u>

CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

The \$149,289 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
2019	\$ 21,435
2020	17,322
2021	(5,793)
2022	(48,166)
Total	\$ (15,202)

The \$153,705 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
2019	\$ (55,129)
2020	(194,344)
2021	(368,565)
2022	(42,290)
Total	\$ (660,328)

Actuarial Assumptions-The City of Amory-Electric 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

Actuarial Assumptions-The City of Amory pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75-18.50%, 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, 2018**

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.

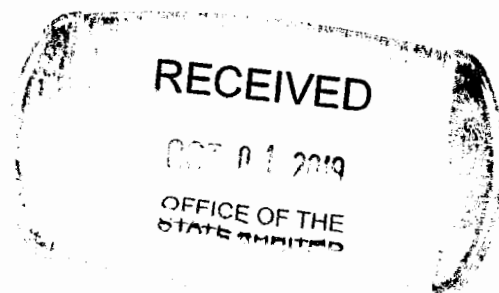
The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

The actuarial assumptions used in the June 30, 2018 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, 2018 and 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	4.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.25
Cash	1.00	0.00
Total	100.00	



CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 - DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate- The discount rate used to measure the total pension liability was 7.75%. 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 former employer contribution rate (15.75%) through June 30, 2019 and at the current contribution rate (17.40%) thereafter. 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%	\$3,270,404
Current discount rate	7.75%	\$2,493,509
1% increase	8.75%	\$1,848,518

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%	\$12,382,303
Current discount rate	7.75%	\$ 9,403,949
1% increase	8.75%	\$ 6,928,545

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 \$4,068 less than cash revenues.

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**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 11 - DEFICIT FUND BALANCE

The following funds have a deficit fund balance at September 30, 2018:

<u>FUND NAME</u>	<u>AMOUNT</u>
Solid Waste Management	\$ 235,827

NOTE 12 - 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 13 - 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 14 - TAX ABATEMENTS

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 forty tax abatement agreements with six entities as of September 30, 2018.

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	\$150,175

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.

**CITY OF AMORY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE 15 - DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's entire bank balances were covered by federal depository insurance or collateralized in accordance with state law at year end. The collateral for public entities' deposits in financial institutions are held in the name of the Mississippi 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 City's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Investments

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy is limited to complying with the State's investment statutes. The State law has not addressed an interest rate risk; however, the City's policy is to hold all investments to maturity, thereby reducing any interest rate risk.

Credit risk: The City and its component units are allowed, by State statute, to invest excess funds in any bonds or other direct obligations of the United States of America, of the State of Mississippi, or of any county or municipality of Mississippi, when such county or municipal bonds have been properly approved; or in obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a qualified depository; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds. It is the City's policy to limit its investments to those allowed by the State statute.

Concentration of credit risk: The City complies with the State statute regarding investments; as a result, concentration risk is limited.

Custodial credit risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To minimize this risk, the City's requires that all negotiable instruments be held in safekeeping in the trust department of a bank. The City's investments are insured or registered, or are securities held by the City or its agent in the City's name.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2019, the date on which the financial statements were available to be issued.

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the four years ended September 30, 2018*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Amory's proportion of net pension liability (%)	0.071381%	0.071243%	0.070000%	0.071000%
B. Amory's proportionate share of net pension liability	\$11,897,458	\$12,041,261	\$12,063,946	\$10,452,243
C. Amory's covered employee payroll	\$5,552,679	\$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 (%)	214.27%	220.22%	255.23%	244.14%
E. Plan fiduciary net position as a percentage of total pension liability	62.54%	61.49%	57.47%	61.70%

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

Schedule is intended to show information for 10 years. Additional years will be available as they become available.

* The amounts presented have a measurement date of June 30.

CITY OF AMORY, MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
For the five years ended September 30, 2018*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Statutorily required contributions	\$874,547	\$861,166	\$744,467	\$674,305	\$670,590
B. Contributions in relation to statutorily required contributions	\$874,547	\$861,166	\$744,467	\$674,305	\$670,590
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
D. Amory's covered employee payroll	\$5,552,679	\$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%	15.75%

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

Schedule is intended to show information for 10 years. Additional years will be available as they become available.

* The amounts presented have a measurement date of June 30.

CITY OF AMORY, MISSISSIPPI
Notes to the Required Supplementary Information
For the year ended September 30, 2018

Changes of Assumptions

- 2017 The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

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

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to 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%.

- 2016 The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

- 2015 The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to 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.

Changes of Benefit Provisions

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

**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ -	\$ 215,081	\$ 230,455	\$ 445,536
Money Market, CD's	26,395	16,216	-	42,611
Notes Receivable	-	1,223	-	1,223
TOTAL ASSETS	\$ 26,395	\$ 232,520	\$ 230,455	\$ 489,370
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 971	\$ 21,597	\$ -	\$ 22,568
TOTAL LIABILITIES	971	21,597	-	22,568
<u>FUND BALANCES:</u>				
Committed	25,424	-	-	25,424
Restricted				
Capital Projects	-	-	230,455	230,455
Fire Protection	-	122,708	-	122,708
Police/Narcotics	-	36,025	-	36,025
CDBG Repayment	-	17,439	-	17,439
Museum	-	34,751	-	34,751
Unassigned	-	-	-	-
TOTAL FUND BALANCES	25,424	210,923	230,455	466,802
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,395	\$ 232,520	\$ 230,455	\$ 489,370

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2018

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
Intergovernmental Revenues	\$ -	\$ 101,762	\$ -	\$ 101,762
Interest	-	656	-	656
Other	-	28,830	-	28,830
TOTAL REVENUES	-	131,248	-	131,248
EXPENDITURES:				
Current:				
Public Safety	-	112,484	-	112,484
Culture and Recreation	-	25,249	-	25,249
Debt Service	84,476	-	-	84,476
TOTAL EXPENDITURES	84,476	137,733	-	222,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(84,476)	(6,485)	-	(90,961)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	181,261	-	-	181,261
TOTAL OTHER FINANCING SOURCES (USES)	181,261	-	-	181,261
NET CHANGE IN FUND BALANCES	96,785	(6,485)	-	90,300
FUND BALANCES - Beginning	(71,361)	217,408	230,455	376,502
FUND BALANCES - Ending	\$ 25,424	\$ 210,923	\$ 230,455	\$ 466,802

CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEET - GENERAL FUND
September 30, 2018 and 2017

	TOTALS	TOTALS
	2018	2017
<u>ASSETS:</u>		
Cash	\$ 4,155,903	\$ 3,278,857
Money Market, CD's	91,765	412,807
Accrued Interest Receivable	351	351
Due From Other Governments	213,718	215,710
Due From Other Funds	88,298	94,590
Other Receivables	31,799	33,982
Total Assets	\$ <u>4,581,834</u>	\$ <u>4,036,297</u>
<u>LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 392,443	\$ 305,310
Due to Other Funds	999	838
Unearned Revenue	147,959	153,076
Total Liabilities	<u>541,401</u>	<u>459,224</u>
<u>FUND BALANCE:</u>		
Nonspendable	43,672	43,672
Committed		
Bicentennial CD	2,625	2,625
Library	176,070	177,940
Assigned	19,271	357,042
Unassigned	3,798,795	2,995,794
Total Fund Balance	<u>4,040,433</u>	<u>3,577,073</u>
Total Liabilities and Fund Balance	\$ <u>4,581,834</u>	\$ <u>4,036,297</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2018 and 2017

	TOTALS	TOTALS
	2018	2017
REVENUES:		
Ad Valorem Taxes:		
Real & Personal	\$ 2,308,350	\$ 2,371,685
Penalties and Interest	61,580	71,612
Licenses and Permits	43,432	40,125
State of Mississippi:		
Sales Tax	1,936,846	1,959,815
Municipal Aid	3,648	3,648
Gasoline Tax	6,352	6,352
Homestead Reimbursement	158,002	160,089
Law Enforcement Assistance	10,872	4,625
In Lieu - TVA	113,755	124,190
Monroe County:		
Pro Rata Tax	514,133	552,444
Vehicle Rental & Rail Car	11,648	15,830
In Lieu - Other:		
Utility Department	785,004	784,950
Housing Authority	-	27
State and Federal Grants	346,113	408,874
Recreation Fee	12,600	15,880
Fines and Forfeitures	140,376	178,512
Rentals	112,907	103,085
Interest	2,811	8,166
Library Income	11,298	11,122
Special Assessment Charges	14,130	10,070
Franchise Fee	97,462	93,854
Wharfage Fees	88,537	95,184
Donations/Contributions	9,181	68,487
Sundry	16,889	25,637
Total Revenues	\$ 6,805,926	\$ 7,114,263

EXPENDITURES:

General Government:

Legislative:

Personnel Services	\$ 66,670	\$ 56,841
Supplies	493	629
Other Services and Charges	188,857	179,052
Total	256,020	236,522

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CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2018 and 2017

	<u>TOTALS</u>	<u>TOTALS</u>
	2018	2017
Judicial:		
Supplies	\$ 581	\$ 1,200
Other Services and Charges	21,614	39,651
Capital Outlay	<u>-</u>	<u>710</u>
Total	<u>22,195</u>	<u>41,561</u>
Executive:		
Personnel Services	99,467	100,927
Supplies	1,278	860
Other Services and Charges	<u>6,938</u>	<u>5,539</u>
Total	<u>107,683</u>	<u>107,326</u>
Planning/Zoning:		
Personnel Services	190,465	194,734
Supplies	1,922	1,787
Other Services and Charges	6,929	16,366
Capital Outlay	<u>114</u>	<u>-</u>
Total	<u>199,430</u>	<u>212,887</u>
Elections:		
Supplies	-	98
Other Services and Charges	<u>-</u>	<u>11,394</u>
Total	<u>-</u>	<u>11,492</u>
Finance:		
Personnel Services	130,980	160,534
Supplies	4,905	5,478
Other Services and Charges	97,947	94,996
Capital Outlay	<u>-</u>	<u>27,310</u>
Total	<u>233,832</u>	<u>288,318</u>

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2018 and 2017

	TOTALS	TOTALS
	2018	2017
Legal:		
Personnel Services	\$ 22,016	\$ 5,540
Supplies	89	-
Other Services and Charges	1,023	15,669
Total	23,128	21,209
Other General Government Bldg. & Plant:		
Personnel Services	-	113
Supplies	8,669	4,340
Other Services and Charges	159,034	163,772
Capital Outlay	15,104	11,822
Total	182,807	180,047
Total General Government	1,025,095	1,099,362
Public Safety:		
Police Department:		
Personnel Services	1,594,518	1,596,978
Supplies	123,413	131,527
Other Services and Charges	175,526	160,840
Capital Outlay	131,064	18,520
Total	2,024,521	1,907,865
Narcotics Division of Police Department:		
Personnel Services	23,488	69,132
Supplies	2,492	749
Other Services and Charges	448	252
Capital Outlay	14,947	-
Total	41,375	70,133
Fire Department:		
Personnel Services	885,674	767,080
Supplies	52,502	28,951
Other Services and Charges	38,296	32,499
Capital Outlay	1,526	4,739
Total	977,998	833,269
Total Public Safety	3,043,894	2,811,267

CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2018 and 2017

	TOTALS	TOTALS
	2018	2017
Public Works:		
Street Department:		
Personnel Services	\$ 509,647	\$ 451,059
Supplies	99,496	85,342
Other Services and Charges	466,953	637,405
Capital Outlay	802	42,358
Total	<u>1,076,898</u>	<u>1,216,164</u>
City Garage Department		
Personnel Services	48,850	45,435
Supplies	5,161	5,859
Other Services and Charges	2,409	1,965
Capital Outlay	700	299
Total	<u>57,120</u>	<u>53,558</u>
Total Public Works	<u>1,134,018</u>	<u>1,269,722</u>
Parks and Recreation:		
Personnel Services	303,286	291,460
Supplies	64,537	61,135
Other Services and Charges	142,025	124,815
Capital Outlay	-	52,010
Total	<u>509,848</u>	<u>529,420</u>
Library		
Personnel Services	161,419	182,629
Supplies	34,411	103,963
Other Services and Charges	30,017	31,762
Capital Outlay	20,321	-
Total	<u>246,168</u>	<u>318,354</u>
Museum Department:		
Personnel Services	97,799	83,203
Supplies	1,606	2,970
Other Services and Charges	40,232	42,972
Capital Outlay	-	447
Total	<u>139,637</u>	<u>129,592</u>
Total Culture and Recreation	<u>895,653</u>	<u>977,366</u>

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CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2018 and 2017

	TOTALS	TOTALS
	2018	2017
Urban & Economic Development:		
Economic Development:		
Other Services and Charges	\$ 16,688	\$ 24,839
Capital Outlay	<u>122,450</u>	<u>460,244</u>
Total Urban & Economic Development	<u>139,138</u>	<u>485,083</u>
Debt Service:		
Principal	27,067	75,699
Interest	<u>-</u>	<u>957</u>
Total Debt Service	<u>27,067</u>	<u>76,656</u>
Total Expenditures	<u>6,264,865</u>	<u>6,719,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>541,061</u>	<u>394,807</u>
Other Financing Sources (Uses):		
Proceeds from Capital Lease	100,640	-
Proceeds from Sale of Capital Assets	2,920	1,206
Transfers (to) from Other Funds	(181,261)	(37,486)
Lease Payments	<u>-</u>	<u>48,216</u>
Total Other Financing Sources (Uses)	<u>(77,701)</u>	<u>11,936</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	463,360	406,743
Fund Balance:		
October 1,	<u>3,577,073</u>	<u>3,170,330</u>
September 30,	<u>\$ 4,040,433</u>	<u>\$ 3,577,073</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, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:			
Ad Valorem Taxes:			
Real & Personal	\$ 2,360,000	\$ 2,307,717	\$ (52,283)
Penalties and Interest	15,000	61,580	46,580
Licenses and Permits	24,300	43,432	19,132
State of Mississippi:			
Sales Tax	1,850,000	1,939,471	89,471
Municipal Aid	3,600	3,648	48
Gasoline Tax	6,300	6,352	52
Homestead Reimbursement	125,000	158,002	33,002
Law Enforcement Assistance	-	10,872	10,872
In Lieu - TVA	125,000	113,755	(11,245)
Monroe County:			
Pro Rate Tax	425,000	514,133	89,133
Vehicle Rental & Rail Car	11,500	11,648	148
In Lieu - Other:			
Utility Department	785,000	785,004	4
Housing Authority	600	-	(600)
State & Local Grants	530,515	346,113	(184,402)
Recreation Fee	10,000	12,600	2,600
Fines and Forfeitures	137,000	140,270	3,270
Rentals	105,000	112,907	7,907
Interest	135	2,811	2,676
Library Income	5,600	11,298	5,698
Special Assessment Charges	10,000	14,130	4,130
Franchise Fee	67,000	97,462	30,462
Wharfage Fees	100,000	90,981	(9,019)
Donations/Contributions	55,000	9,181	(45,819)
Sundry	8,750	16,627	7,877
Total Receipts	\$ 6,760,300	\$ 6,809,994	\$ 49,694
EXPENDITURES:			
General Government:			
Legislative:			
Personnel Services	\$ 72,218	\$ 66,670	\$ 5,548
Supplies	1,075	493	582
Other Services and Charges	198,865	188,857	10,008
Total	272,158	256,020	16,138

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Judicial:			
Supplies	\$ 900	\$ 581	\$ 319
Other Services and Charges	<u>27,375</u>	<u>21,614</u>	<u>5,761</u>
Total	<u>28,275</u>	<u>22,195</u>	<u>6,080</u>
Executive:			
Personnel Services	108,300	99,467	8,833
Supplies	1,725	1,278	447
Other Services and Charges	8,275	6,938	1,337
Capital Outlay	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total	<u>119,300</u>	<u>107,683</u>	<u>11,617</u>
Planning/Zoning:			
Personnel Services	207,573	190,465	17,108
Supplies	2,700	1,922	778
Other Services and Charges	20,754	6,929	13,825
Capital Outlay	<u>2,000</u>	<u>114</u>	<u>1,886</u>
Total	<u>233,027</u>	<u>199,430</u>	<u>33,597</u>
Finance:			
Personnel Services	153,100	130,980	22,120
Supplies	7,900	4,905	2,995
Other Services and Charges	115,960	97,947	18,013
Capital Outlay	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>278,460</u>	<u>233,832</u>	<u>44,628</u>
Legal:			
Personnel Services	25,639	22,016	3,623
Supplies	89	89	-
Other Services and Charges	<u>1,023</u>	<u>1,023</u>	<u>-</u>
Total	<u>26,751</u>	<u>23,128</u>	<u>3,623</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, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other General Government Bldg. & Plant:			
Personnel Services	\$ 1,500	\$ -	\$ 1,500
Supplies	11,950	8,669	3,281
Other Services and Charges	194,150	159,034	35,116
Capital Outlay	25,000	15,104	9,896
Total	232,600	182,807	49,793
Total General Government	1,190,571	1,025,095	165,476
Public Safety:			
Police Department:			
Personnel Services	1,636,000	1,594,518	41,482
Supplies	123,426	123,413	13
Other Services and Charges	187,218	175,526	11,692
Capital Outlay	147,500	131,064	16,436
Total	2,094,144	2,024,521	69,623
Narcotics Division of Police Department:			
Personnel Services	27,661	23,488	4,173
Supplies	2,492	2,492	-
Other Services and Charges	470	448	22
Capital Outlay	15,237	14,947	290
Total	45,860	41,375	4,485
Fire Department:			
Personnel Services	942,100	885,462	56,638
Supplies	53,720	52,714	1,006
Other Services and Charges	39,850	38,296	1,554
Capital Outlay	6,980	1,526	5,454
Total	1,042,650	977,998	64,652
Total Public Safety	3,182,654	3,043,894	138,760

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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, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Public Works:			
Street Department:			
Personnel Services	\$ 574,000	\$ 509,647	\$ 64,353
Supplies	119,150	99,496	19,654
Other Services and Charges	472,510	466,953	5,557
Capital Outlay	<u>1,000</u>	<u>802</u>	<u>198</u>
Total	<u>1,166,660</u>	<u>1,076,898</u>	<u>89,762</u>
City Garage Department			
Personnel Services	55,736	48,850	6,886
Supplies	8,800	5,161	3,639
Other Services and Charges	3,600	2,409	1,191
Capital Outlay	<u>1,000</u>	<u>700</u>	<u>300</u>
Total	<u>69,136</u>	<u>57,120</u>	<u>12,016</u>
Total Public Works	<u>1,235,796</u>	<u>1,134,018</u>	<u>101,778</u>
Parks and Recreation:			
Personnel Services	330,950	303,286	27,664
Supplies	73,185	64,537	8,648
Other Services and Charges	148,175	142,025	6,150
Capital Outlay	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Total	<u>578,310</u>	<u>509,848</u>	<u>68,462</u>
Library			
Personnel Services	190,775	161,419	29,356
Supplies	144,770	34,411	110,359
Other Services and Charges	41,460	30,017	11,443
Capital Outlay	<u>23,000</u>	<u>20,321</u>	<u>2,679</u>
Total	<u>400,005</u>	<u>246,168</u>	<u>153,837</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, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Museum Department:			
Personnel Services	\$ 117,370	\$ 97,799	\$ 19,571
Supplies	2,950	1,606	1,344
Other Services and Charges	42,200	40,232	1,968
Capital Outlay	500	-	500
Total	163,020	139,637	23,383
Total Culture & Recreation	1,141,335	895,653	245,682
Urban & Economic Development:			
Economic Development:			
Other Services and Charges	137,750	16,688	121,062
Capital Outlay	405,000	122,450	282,550
Total	542,750	139,138	403,612
TVA Lieu:			
Capital Outlay	10,000	-	10,000
Total	10,000	-	10,000
Total Urban & Economic Development	552,750	139,138	413,612
Debt Service			
Principal	28,000	27,067	933
Interest	-	-	-
Total	28,000	27,067	933
Total Expenditures	7,331,106	6,264,865	1,066,241
Excess (Deficiency) of Revenue Over (Under) Expenditures	(570,806)	545,129	1,115,935

CITY OF AMORY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

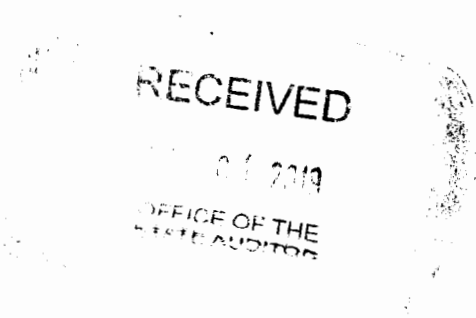
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other Financing Sources (Uses):			
Proceeds from Issuance of Debt	\$ -	\$ 100,640	\$ 100,640
Proceeds from Sale of Capital Assets	-	2,920	2,920
Transfers (to) From Other Funds	(183,924)	(181,261)	2,663
Lease Payments	<u>3,600</u>	<u>-</u>	<u>(3,600)</u>
Total Other Financing Sources (Uses)	<u>(180,324)</u>	<u>(77,701)</u>	<u>102,623</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(751,130)	467,428	1,218,558
Fund Balance:			
(Non-GAAP Budgetary Basis) October 1,	<u>3,577,073</u>	<u>3,577,073</u>	<u>-</u>
(Non-GAAP Budgetary Basis) September 30,	\$ <u><u>2,825,943</u></u>	4,044,501	\$ <u><u>1,218,558</u></u>
Adjustments to GAAP Basis:			
Accrued Revenue		<u>(4,068)</u>	
Fund Balance (GAAP) September 30,		\$ <u><u>4,040,433</u></u>	

**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2018**

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	MUSEUM FUND	TOTALS 2018	TOTALS 2017
<u>ASSETS:</u>						
Cash	\$ 143,495	\$ 36,835	\$ -	\$ 34,751	\$ 215,081	\$ 61,924
Money Market, CD's	-	-	16,216	-	16,216	156,707
Notes Receivable	-	-	1,223	-	1,223	1,223
Total Assets	<u>143,495</u>	<u>36,835</u>	<u>17,439</u>	<u>34,751</u>	<u>232,520</u>	<u>219,854</u>
<u>LIABILITIES:</u>						
Accounts Payable	<u>20,787</u>	<u>810</u>	<u>-</u>	<u>-</u>	<u>21,597</u>	<u>2,446</u>
Total Liabilities	<u>20,787</u>	<u>810</u>	<u>-</u>	<u>-</u>	<u>21,597</u>	<u>2,446</u>
<u>FUND BALANCE:</u>						
Restricted	<u>122,708</u>	<u>36,025</u>	<u>17,439</u>	<u>34,751</u>	<u>210,923</u>	<u>217,408</u>
Total Liabilities and Fund Balance	\$ <u>143,495</u>	\$ <u>36,835</u>	\$ <u>17,439</u>	\$ <u>34,751</u>	\$ <u>232,520</u>	\$ <u>219,854</u>

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended September 30, 2018

	FIRE PROTECTION FUND	POLICE/ NARCOTICS	CDBG REPAYMENT FUND	MUSEUM FUND	TOTALS 2018	TOTALS 2017
REVENUES:						
Intergovernmental	\$ 41,762	\$ -	\$ -	\$ 60,000	\$ 101,762	\$ 40,963
Interest	656	-	-	-	656	492
Other	3,600	25,230	-	-	28,830	18,208
Total Revenues	46,018	25,230	-	60,000	131,248	59,663
EXPENDITURES:						
Personnel Services	-	924	-	25,249	26,173	-
Supplies	26,399	3,613	-	-	30,012	14,009
Other Services and Charges	1,525	-	-	-	1,525	-
Capital Outlay	80,023	-	-	-	80,023	169,275
Total Expenditures	107,947	4,537	-	25,249	137,733	183,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,929)	20,693	-	34,751	(6,485)	(123,621)
OTHER SOURCES (USES):						
Transfers from (to) Other Funds	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(61,929)	20,693	-	34,751	(6,485)	(123,621)
Fund Balance - October 1,	184,637	15,332	17,439	-	217,408	341,029
Fund Balance - September 30,	\$ 122,708	\$ 36,025	\$ 17,439	\$ 34,751	\$ 210,923	\$ 217,408



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, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/18			F.Y.E. 9/30/17
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES:				
Intergovernmental	\$ 99,000	\$ 101,762	\$ 2,762	\$ 40,963
Interest	-	656	656	492
Other	23,515	28,830	5,315	18,208
TOTAL REVENUES	122,515	131,248	8,733	59,663
EXPENDITURES:				
Personal Services	26,249	26,173	76	-
Supplies	32,515	30,012	2,503	14,009
Other Services and Charges	4,100	1,525	2,575	-
Capital Outlay	104,600	80,023	24,577	169,275
TOTAL EXPENDITURES	167,464	137,733	29,731	183,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,949)	(6,485)	38,464	(123,621)
OTHER FINANCING SOURCES (USES):				
Transfers to/from Other Funds	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(44,949)	(6,485)	38,464	(123,621)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	217,408	217,408	-	341,029
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 172,459	\$ 210,923	\$ 38,464	\$ 217,408
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ 210,923		\$ 217,408

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**CITY OF AMORY, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2018**

	STREET IMPROVEMENT FUND	TOTALS 2018	TOTALS 2017
<u>ASSETS:</u>			
Cash	\$ 230,455	\$ 265,206	\$ 230,455
Total Assets	<u>230,455</u>	<u>265,206</u>	<u>230,455</u>
<u>LIABILITIES:</u>			
Accounts Payable	-	-	-
Total Liabilities	-	-	-
<u>FUND BALANCE:</u>			
Restricted	<u>230,455</u>	<u>230,455</u>	<u>230,455</u>
Total Liabilities and Fund Balance	\$ <u>230,455</u>	\$ <u>230,455</u>	\$ <u>230,455</u>



CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
Year Ended September 30, 2018

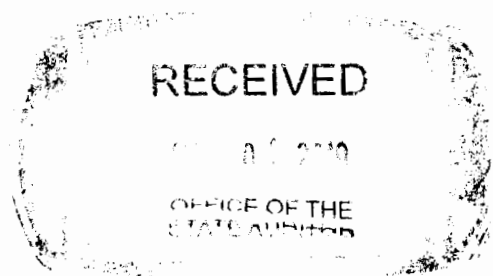
	STREET IMPROVEMENT FUND	TOTALS 2018	TOTALS 2017
<u>REVENUES:</u>			
Grant Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<u>EXPENDITURES:</u>			
Other Services and Charges	-	-	74,888
Total Expenditures	-	-	74,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(74,888)
<u>OTHER SOURCES (USES):</u>			
Proceeds from Issuance of Debt	-	-	-
Total Other Sources (Uses)	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	-	-	(74,888)
Fund Balance - October 1,	230,455	230,455	305,343
Fund Balance - September 30,	\$ 230,455	\$ 230,455	\$ 230,455

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, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/18			F.Y.E. 9/30/17
	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	230,555	-	230,555	74,888
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>230,555</u>	<u>-</u>	<u>230,555</u>	<u>74,888</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(230,555)	-	230,555	(74,888)
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(230,555)	-	230,555	(74,888)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>230,455</u>	<u>230,455</u>	<u>-</u>	<u>305,343</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(100)</u>	\$ <u>230,455</u>	\$ <u>230,555</u>	\$ <u>230,455</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>230,455</u>		\$ <u>230,455</u>

**CITY OF AMORY, MISSISSIPPI
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
September 30, 2018 and 2017**

	<u>TOTALS</u>	
	2018	2017
<u>ASSETS:</u>		
Money Market, CD's	\$ <u>26,395</u>	\$ <u>26,395</u>
Total Assets	\$ <u><u>26,395</u></u>	\$ <u><u>26,395</u></u>
<u>LIABILITIES</u>		
Checks Issued In Excess of Cash Deposits	\$ <u>-</u>	\$ <u>96,785</u>
Accounts Payable	<u>971</u>	<u>971</u>
Total Liabilities	<u>971</u>	<u>97,756</u>
<u>FUND BALANCE:</u>		
Committed	25,424	-
Unassigned	<u>-</u>	<u>(71,361)</u>
Total Fund Balance	<u>25,424</u>	<u>(71,361)</u>
Total Liabilities and Fund Balance	\$ <u><u>26,395</u></u>	\$ <u><u>26,395</u></u>



CITY OF AMORY, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
Years Ended September 30, 2018 and 2017

	PUBLIC IMPROVEMENTS	TOTALS	
		2018	2017
<u>REVENUE:</u>			
Taxes	\$ -	\$ -	\$ 14
Interest	-	-	83
Total Revenue	-	-	97
<u>EXPENDITURES:</u>			
Bond Retired	30,000	30,000	30,000
Interest Paid	42,829	42,829	43,504
Notes Retired	10,401	10,401	46,942
Interest Paid	1,246	1,246	2,191
Total Expenditures	84,476	84,476	122,637
Excess (Deficiency) of Revenue Over (Under) Expenditures	(84,476)	(84,476)	(122,540)
<u>OTHER FINANCING SOURCES(USES):</u>			
Transfers from Other Funds	181,261	181,261	37,486
Total Other Financing Sources(Uses)	181,261	181,261	37,486
Excess (Deficiency) of Revenue Over (Under) Expenditures and Other Sources	96,785	96,785	(85,054)
Fund Balance - October 1,	(71,361)	(71,361)	13,693
Fund Balance - September 30,	\$ 25,424	\$ 25,424	\$ (71,361)

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, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	FYE 9/30/18			F.Y.E. 9/30/17 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 14
Interest	-	-	-	83
TOTAL REVENUES	-	-	-	97
EXPENDITURES:				
Bond Retired	30,000	30,000	-	30,000
Interest Paid	43,000	42,829	171	43,504
Notes Retired	10,405	10,401	4	46,942
Interest Paid	1,295	1,246	49	2,191
TOTAL EXPENDITURES	84,700	84,476	224	122,637
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(84,700)	(84,476)	224	(122,540)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	84,700	181,261	96,561	37,486
TOTAL OTHER FINANCING SOURCES (USES)	84,700	181,261	96,561	37,486
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	-	96,785	96,785	(85,054)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	(71,361)	(71,361)	-	13,693
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ (71,361)	\$ 25,424	\$ 96,785	\$ (71,361)
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) - End of Year		\$ 25,424		\$ (71,361)

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES--			
	PROPRIETARY FUND			TOTAL
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	
ASSETS:				
Current Assets:				
Cash	\$ 187,126	\$ 2,085,091	\$ 213,478	\$ 2,485,695
Money Market, CD's	-	616,720	111,745	728,465
Accounts Receivables, net	114,550	2,156,831	250,933	2,522,314
Due from Other Funds	73,428	125,763	-	199,191
Inventories	-	482,084	87,308	569,392
Deferred Debits	-	-	1,982	1,982
Prepaid Expenses	-	-	35,011	35,011
Total Current Assets	375,104	5,466,489	700,457	6,542,050
Noncurrent Assets:				
Restricted Assets:				
Due From Home Owner For				
Conservation Loans	-	63,005	-	63,005
Nonutility Property, net	-	291,793	-	291,793
Capital Assets:				
Land	-	106,483	125,195	231,678
Buildings	112,539	339,006	251,909	703,454
Improvements Other Than Building	-	17,206,655	14,873,563	32,080,218
Machinery & Equipment	317,666	1,938,013	1,195,689	3,451,368
Accumulated Depreciation	(337,028)	(9,627,826)	(8,451,836)	(18,416,690)
Construction Work In Progress	-	488,932	275,385	764,317
Total Noncurrent Assets	93,177	10,806,061	8,269,905	19,169,143
Total Assets	\$ 468,281	\$ 16,272,550	\$ 8,970,362	\$ 25,711,193
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Amounts Related to Pensions	\$ 13,154	\$ 240,534	\$ 33,511	\$ 287,199
Total Deferred Outflows of Resources	\$ 13,154	\$ 240,534	\$ 33,511	\$ 287,199

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 52,481	\$ 1,476,932	\$ 74,637	\$ 1,604,050
Compensated Absences	8,448	49,216	48,052	105,716
Due to Other Funds	-	96	388,084	388,180
Long-Term Debt Due Within One Year	-	136,772	-	136,772
Customer Deposits	-	967,170	7,729	974,899
Total Current Liabilities	60,929	2,630,186	518,502	3,209,617
<u>Long-Term Liabilities:</u>				
Net Pension Liability	612,735	2,493,509	1,560,982	4,667,226
Long-Term Debt Due in				
More than One Year	-	641,285	-	641,285
Advances from Others- TVA	-	70,149	-	70,149
Total Long-Term Liabilities	612,735	3,204,943	1,560,982	5,378,660
Total Liabilities	\$ 673,664	\$ 5,835,129	\$ 2,079,484	\$ 8,588,277
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Deferred Amounts Related to Pensions	\$ 43,598	\$ 106,447	\$ 111,069	\$ 261,114
Total Deferred Inflows of Resources	\$ 43,598	\$ 106,447	\$ 111,069	\$ 261,114
<u>Net Position</u>				
Net Investment in Capital Assets	93,177	9,673,206	8,269,905	18,036,288
Restricted for:				
Debt Service	-	161,772	-	161,772
Unrestricted	(329,004)	736,530	(1,456,585)	(1,049,059)
Total Net Position	(235,827)	10,571,508	6,813,320	17,149,001

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CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2018

	SOLID WASTE MANAGEMENT FUND	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 891,662	\$ 13,941,712	\$ 1,848,097	\$ 16,681,471
Total Operating Revenue	891,662	13,941,712	1,848,097	16,681,471
<u>OPERATING EXPENSES:</u>				
Operations	847,027	11,777,576	1,350,274	13,974,877
Maintenance	7,432	306,469	365,837	679,738
Depreciation	2,632	592,994	383,468	979,094
Taxes	-	841,435	46,673	888,108
Total Operating Expenses	857,091	13,518,474	2,146,252	16,521,817
Net Operating Income (Loss)	34,571	423,238	(298,155)	159,654
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	938	1,810	111	2,859
Miscellaneous Income (Expense)	1,039	-	(1,083)	(44)
Interest Expense	-	(34,418)	-	(34,418)
Total Non-Operating Income (Loss)	1,977	(32,608)	(972)	(31,603)
<u>INCOME BEFORE OPERATING TRANSFERS:</u>	36,548	390,630	(299,127)	128,051
Operating Transfers In (Out)	-	-	-	-
Change in Net Position	36,548	390,630	(299,127)	128,051
Total Net Position - Beginning of Year,	(272,375)	10,180,878	7,112,447	17,020,950
Total Net Position - Ending	\$ (235,827)	\$ 10,571,508	\$ 6,813,320	\$ 17,149,001

CITY OF AMORY, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	SOLID WASTE MANAGEMENT FUND	TOTALS
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 13,875,860	\$ 1,847,964	\$ 886,306	\$ 16,610,130
Payments to Suppliers	(9,610,600)	(1,047,036)	(653,175)	(11,310,811)
Payments to Employees	(1,287,971)	(465,720)	(207,751)	(1,961,442)
Payments for Other Services and Charges	(1,029,814)	-	-	(1,029,814)
Other Receipts (Payments)	(773,354)	(121,847)	-	(895,201)
Net Cash Provided (Used) In Operating Activities	1,174,121	213,361	25,380	1,412,862
Cash Flows from Noncapital Financing Activities:				
Due To Other Funds	-	(112,387)	-	(112,387)
Due From Other Funds	27,671	-	(5,356)	22,315
Transfers Out	-	75,397	-	75,397
Net Cash Provided By (Used In) Noncapital Financing Activities	27,671	(36,990)	(5,356)	(14,675)
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(871,529)	(100,782)	-	(972,311)
Principal Paid on Capital Debt	(130,728)	-	-	(130,728)
Interest Paid on Capital Debt	(35,077)	-	-	(35,077)
Other Receipts (Payments)	(178,505)	(1,083)	1,039	(178,549)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(1,215,839)	(101,865)	1,039	(1,316,665)
Cash Flows from Investing Activities:				
Interest and Dividends	1,666	111	938	2,715
Other Receipts (Payments)	25,809	-	-	25,809
Net Cash Provided By (Used In) Investing Activities	27,475	111	938	28,524
Net Increase (Decrease) In Cash and Cash Equivalents	13,428	74,617	22,001	110,046
Cash and Cash Equivalents--Beginning	2,688,383	250,606	165,125	3,104,114
Cash and Cash Equivalents--Ending	\$ 2,701,811	\$ 325,223	\$ 187,126	\$ 3,214,160
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:				
Operating Income (Loss)	\$ 423,238	\$ (298,155)	\$ 34,571	\$ 159,654
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:				
Depreciation Expense	592,994	383,468	2,632	979,094
Net Pension Expense	134,426	92,294	(6,806)	219,914
(Increase) Decrease in Accounts Receivable	(123,728)	767	(5,356)	(128,317)
(Increase) Decrease in Prepaid Items	-	(936)	-	(936)
(Increase) Decrease in Inventory	3,600	(2,392)	-	1,208
Increase (Decrease) in Accounts Payable	79,572	26,594	(1,512)	104,654
Increase (Decrease) in Accrued Liabilities	23,528	12,621	1,851	38,000
Increase (Decrease) in Customer Deposits	40,491	(900)	-	39,591
Total Adjustments	750,883	511,516	(9,191)	1,253,208
Net Cash Provided (Used) In Operating Activities	\$ 1,174,121	\$ 213,361	\$ 25,380	\$ 1,412,862

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CITY OF AMORY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2018

NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
Angie Whitlock	Zoning/Planning	GCM Insurance	\$50,000	7/5/2019
Jamie E. Morgan	City Clerk/Tax Collector	GCM Insurance	\$200,000	4/4/2019
Madison Williams	Finance/AP Clerk	GCM Insurance	\$50,000	2/21/2019
Tami Hester	Finance/AP Clerk	GCM Insurance	\$50,000	5/30/2019
Natasha Pack	Dispatcher	GCM Insurance	\$50,000	12/22/2018
Martha Reeves	Admin PD	GCM Insurance	\$50,000	6/1/2019
Karin Beth Hughes	Dispatcher	GCM Insurance	\$50,000	12/22/2018
Jennifer McClendon	Patrol Officer	GCM Insurance	\$50,000	7/17/2019
Catherine Ligon Houston	Dispatcher	GCM Insurance	\$50,000	7/1/2019
Patricia Gleghorn	Dispatcher	GCM Insurance	\$50,000	3/29/2019
Eric Wiginton	Patrol Officer	GCM Insurance	\$50,000	7/17/2019
Nicholaus L. Weaver	Patrol Officer	GCM Insurance	\$50,000	7/17/2019
Bradley N. Taylor	Patrol Officer	GCM Insurance	\$50,000	7/17/2019
Tracie Carol Poole	Dispatcher	GCM Insurance	\$50,000	12/22/2018
Amber Lynn Roebuck	Dispatcher	GCM Insurance	\$50,000	12/22/2018
Jamica Stalling	P&R	GCM Insurance	\$50,000	11/17/2018
Angela D. Westbrook	P&R	GCM Insurance	\$50,000	11/30/2018
Rory Owen Thornton	P&R Admin	GCM Insurance	\$50,000	12/16/2018
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	5/1/2019
Ruby Holman	Librarian	RLI Insurance Company	\$50,000	6/1/2019

**CITY OF AMORY, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2018**

	INTEREST RATE	BALANCE 9-30-17	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-18	CURRENT MATURITIES
<u>LONG-TERM DEBT:</u>						
<u>Governmental Funds</u>						
General Obligations:						
Series 2015	2.25 -3.20%	\$ 1,440,000	\$ -	\$ (30,000)	\$ 1,410,000	\$ 30,000
Total General Obligation Bonds		1,440,000	-	(30,000)	1,410,000	30,000
Other Long-Term Debt:						
Freight Rail Revolving Loan	3.75%	37,571	-	(10,401)	27,170	10,757
Vehicle Leases	3.00%	-	100,640	(27,067)	73,573	23,315
		37,571	100,640	(37,468)	100,743	34,072
Total Governmental Funds		1,477,571	100,640	(67,468)	1,510,743	64,072
<u>Proprietary Fund Types Debt</u>						
Other Long-Term Debt:						
Revenue Bonds Series 2005	4.42%	780,000	-	(80,000)	700,000	85,000
Equipment Lease	2.04%	128,785	-	(50,728)	78,057	51,772
Total Proprietary Fund Type Debt		908,785	-	(130,728)	778,057	136,772
Total Long-Term Debt		\$ 2,386,356	\$ 100,640	\$ (198,196)	\$ 2,288,600	\$ 200,844

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

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



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Partners

Gary Franks, CPA

Bryon Wilemon, CPA

Jonathan Hagood, CPA

Rudolph Franks, CPA (emeritus)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Amory, Mississippi, as of and for the year ended September 30, 2018, 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 September 25, 2019.

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.

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

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

Compliance and Other Matters

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

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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, Wilmon & Hagood P.A.

Franks, Franks, Wilmon & Hagood, P.A.
Tupelo, Mississippi
September 25, 2019

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

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



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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
City of Amory, Mississippi

We have audited the general purpose financial statements of City of Amory, Mississippi as of and for the year ended September 30, 2018 and have issued our report dated September 25, 2019. 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 no material instances of noncompliance with state laws and regulations.

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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
September 25, 2019

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