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**CITY OF TUPELO,
MISSISSIPPI**

FINANCIAL STATEMENTS

September 30, 2015

Prepared by:
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Certified Public Accountants
Tupelo, Mississippi – Fulton, Mississippi

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Tupelo, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Tupelo'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 did not audit the financial statements of the Northeast Mississippi Regional Water Supply District, which represent approximately 32 percent and 4 percent, respectively of the assets and revenues of the Proprietary Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northeast Mississippi Regional Water Supply District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of September 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 27 to the financial statements, in 2015, the City of Tupelo, Mississippi adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tupelo, Mississippi's basic financial statements. The combining and individual fund financial statements and other supplemental information, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2016 on our consideration of the City of Tupelo, 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 Tupelo's internal control over financial reporting and compliance.

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

FRANKS, FRANKS, JARRELL & WILEMON, P.A.
March 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2015

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$248,132,274. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$241,302,233 (restated).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$55,594,528, a decrease of \$460,199 in comparison to the prior year. Approximately 36% of the combined fund balances, \$20,049,655 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$86,848,143. Debt in the amount of \$11,201,921 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$6,274,794 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.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City'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 Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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, Solid Waste funds and the Northeast Mississippi Regional Water Supply District.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City 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 Tupelo'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, public works, parks and recreation, debt service, and capital projects	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 the 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 the year, regardless of when cash is received or paid

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

The government-wide statements report information about the City 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, liabilities, and deferred inflows / outflows of resources, with the difference reported as net position. 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's net position and how they have changed. Net position—the difference between the City's assets, liabilities, and deferred inflows / outflows—is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, the reader should consider additional non-financial factors such as changes in the City's property tax base, as well as, economic activities and trends at local and regional levels.
- *Governmental activities* – Most of the City'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 charges fees to customers to help it cover the costs of certain services it provides. The City's garbage pickup, water and sewer systems and electric department services are included here along with the Northeast Mississippi Water Supply District (a blended component unit).
- *Component Unit* – The government-wide financial statements include not only the City itself (known as the primary government), but also the following legally separate entity for which the City is financially accountable: Tupelo Airport Authority. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The Tupelo Airport Authority issue separately audited financial statements and may be obtained from the City's Budget and Accounting Department.

Fund Financial Statements

The fund financial statements provide more detailed information about the City'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 Tupelo 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 City Council 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 TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Tupelo has two types of funds:

- **Governmental funds**—most of the City'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'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 utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
- **Proprietary funds**—Services for which the City 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'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 Fund Net Position, and Statement of Cash Flows are all required statements.

Government-wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in the net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$248,132,274 at the close of the most recent fiscal year. This is a \$6,830,041 increase over last year's restated net position of \$241,302,233. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2015 and 2014.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 76.4% and 63.5%, 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 for the years ended September 30, 2015 and 2014, respectively. 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.

Table A-1

City of Tupelo's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current & Other Assets	\$ 60,465,337	\$ 61,924,591	\$ 34,865,891	\$ 36,222,062	\$ 95,331,228	\$ 98,146,653
Noncurrent Assets	156,608,974	147,319,096	147,899,544	138,104,589	304,508,518	285,423,685
Total Assets	217,074,311	209,243,687	182,765,435	174,326,651	399,839,746	383,570,338
Total Deferred Outflows	6,918,801	-	1,032,552	-	7,951,353	-
Other Liabilities	8,238,197	8,466,188	15,283,309	14,692,632	23,521,506	23,158,820
Noncurrent Liabilities	92,700,650	53,438,543	40,545,761	27,790,511	133,246,411	81,229,054
Total Liabilities	100,938,847	61,904,731	55,829,070	42,483,143	156,767,917	104,387,874
Total Deferred Inflows	2,079,230	192,669	811,678	-	2,890,908	192,669
Net Position:						
Net Investment in						
Capital Assets	97,420,389	88,498,076	92,026,913	88,746,912	189,447,302	177,244,988
Restricted	29,029,725	31,558,309	30,321,639	28,654,986	59,531,364	60,213,295
Unrestricted (Deficit)	(5,475,079)	27,089,902	4,808,687	14,441,610	(666,392)	41,531,512
Total Net Position	\$ 120,975,035	\$ 147,146,287	\$ 127,157,239	\$ 131,843,508	\$ 248,132,274	\$ 278,989,795

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of our business-type activities is \$4,808,687. These resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business type activities.

Changes in net position: Approximately 11.0% of the City's total revenues come from property taxes, with 34.6% of all revenue coming from some type of tax. (See Table A-2.) This compares to 10.5% and 33.4% for the fiscal year ended September 30, 2014. Another 58.3% comes from fees charged for services, and the balance is from operating and capital grants and contributions and investment earnings.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Table A-2

Changes in the City of Tupelo's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,592,916	\$ 5,467,968	\$ 73,632,391	\$ 74,491,456	\$ 79,225,307	\$ 79,959,424
Operating Grants & Contributions	594,604	4,204,024	-	-	594,604	4,204,024
Capital Grants & Contributions	3,569,241	2,137,792	3,258,763	3,374,949	6,828,004	5,512,741
General Revenues:						
Property Taxes	14,892,861	14,523,306	-	-	14,892,861	14,523,306
Other Taxes	32,153,370	31,547,402	-	-	32,153,370	31,547,402
Investment Income	334,223	360,459	22,943	25,446	357,166	385,905
Other	1,796,465	1,754,472	21,150	106	1,817,615	1,754,578
Total Revenues	58,933,680	59,995,423	76,935,247	77,891,957	135,868,927	137,887,380
Expenses						
General Government	5,555,352	4,849,484	-	-	5,555,352	4,849,484
Public Safety	18,987,834	16,551,286	-	-	18,987,834	16,551,286
Public Works	9,362,147	9,631,454	-	-	9,362,147	9,631,454
Culture & Recreation	8,740,533	7,877,718	-	-	8,740,533	7,877,718
Other Functions	4,396,967	8,405,960	-	-	4,396,967	8,405,960
Capital Projects	790,527	1,609,630	-	-	790,527	1,609,630
Debt Service	1,941,269	2,288,383	-	-	1,941,269	2,288,383
Water & Sewer	-	-	9,630,259	9,272,978	9,630,259	9,272,978
Electric	-	-	56,925,024	56,860,790	56,925,024	56,860,790
Solid Waste Management	-	-	3,210,667	3,240,761	3,210,667	3,240,761
N. MS Reg. Water Supp. Dist.	-	-	3,708,796	3,604,997	3,708,796	3,604,997
Total Expenses	49,774,629	51,213,915	73,474,746	72,979,526	123,249,375	124,193,441
Excess of Revenue Over Exp.	9,159,051	8,781,508	3,460,501	4,912,431	12,619,552	13,693,939
Transfers	(4,551,002)	(2,832,689)	(1,238,509)	(1,172,275)	(5,789,511)	(4,004,964)
Change in Net Position	4,608,049	5,948,819	2,221,992	3,740,156	6,830,041	9,688,975
Net Position—Beginning, as Previously Stated	147,146,287	142,374,158	131,843,508	128,324,826	278,989,795	270,698,984
Prior Period Adjustment	(30,779,301)	(1,176,690)	(6,908,261)	(221,474)	(37,687,562)	(1,398,164)
Net Position—Beginning, as Restated	116,366,986	141,197,468	124,935,247	128,103,352	241,302,233	269,300,820
Net Position—Ending	\$120,975,035	\$147,146,287	\$127,157,239	\$131,843,508	\$248,132,274	\$278,989,795

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$4,608,049, thereby accounting for 67.5% of the total growth 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 sales tax 44%, property taxes 25% and charges for services 10%.

The largest expense categories for the City's governmental activities are public safety 38% and public works 19%.

Business-type Activities

Business-type activities increased the City's net position by \$2,221,992 accounting for 32.5% of the growth 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 \$10,549,903 for water and sewer, \$56,657,037 for electric, \$3,283,802 for solid waste management and \$3,141,649 for the Northeast Mississippi Regional Water Supply District.

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 \$20,049,655, which comprised 91.5% of total general 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 73.9% of total fund expenditures. The fund balance of the City's general fund increased by \$3,793,653 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$16,410,577, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$1,779,266.

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 \$9,049,474.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants or taxes from the federal and state governments. At the end of the current fiscal year, the fund balance was \$8,211,158, which will be used for future expenditures.

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 \$127,157,239 (restated). Changes in net position, which totaled \$2,221,992, were as follows: the electric fund decreased by \$259,137, the water & sewer fund decreased by \$242,251, the solid waste management fund increased by \$73,873 and Northeast Mississippi Regional Water Supply District increased by \$2,649,507.

Budgetary Highlights

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

The City's 2014-15 operating budget increased by \$3,428,099 during the current fiscal year mainly due to the industrial investments in City owned facilities funded through MDA and private funds. There was no change in the City's tax millage from 2014 to 2015.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$50,000,000 in capital projects from FY 2016 – 2020. The source of revenue includes federal grants, G.O. bonds issued in prior years, general fund tax revenue, and new G.O. bonds.

Capital Assets—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounted to \$278,071,697, net of accumulated depreciation of \$187,642,957. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3

City of Tupelo's Capital Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,586,188	\$ 11,586,188	\$ 1,764,752	\$ 1,764,752	\$ 13,350,940	\$ 13,350,940
Infrastructure	115,757,518	104,275,422	-	-	115,757,518	104,275,422
Plant, Buildings, Improvements	82,601,725	82,037,717	175,111,599	171,639,321	257,713,324	253,677,038
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	23,486,349	22,523,908	15,545,948	15,370,130	39,032,297	37,894,038
Construction in Progress	18,608,336	16,522,234	14,355,429	6,172,493	32,963,765	22,694,727
Accumulated Depreciation	(97,566,444)	(91,957,854)	(90,076,513)	(84,990,370)	(187,642,957)	(176,948,224)
Total	\$154,473,672	\$144,987,615	\$ 123,598,025	\$116,853,136	\$278,071,697	\$ 261,840,751

Long-term Debt—At year-end, the City had \$86,848,143 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4

City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 42,988,185	\$ 41,537,975	\$ 41,815	\$ 567,025	\$ 43,030,000	\$ 42,105,000
Special Assessment Bonds	180,000	265,000	-	-	180,000	265,000
Special Obligation Bonds	10,036,775	11,044,515	1,103,225	1,235,485	11,140,000	12,280,000
Tax Increment Bonds	595,000	680,000	-	-	595,000	680,000
State Grants Repayment	-	-	1,021,187	1,168,233	1,021,187	1,168,233
Notes Payable	2,786,976	2,962,049	28,094,980	22,460,734	30,881,956	25,422,783
Total	\$ 56,586,936	\$ 56,489,539	\$ 30,261,207	\$ 25,431,477	\$ 86,848,143	\$ 81,921,016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2015 are summarized as follows:

1. Sales tax revenues will remain flat.
2. Property tax revenue will decrease 0.5% despite real and personal tax values increasing. This dip in anticipated revenue is due to the spike in the special homestead exemptions.
3. Interest rates are scheduled to be renegotiated under a new bid for most of FY 2016, but not anticipated to increase.
4. Unemployment in Lee County dropped to 6.1% in 2015.

This contributed to the following projections:

1. Property tax revenue will decrease slightly.
2. Millage rates remained the same at 32.47 for the City's 2016 FY budget. This includes an increase from 12.83 to 12.90 mills for the General Fund, 10 mills for the Thoroughfare Fund, 1.01 mills for the Library fund, a decrease from 1.68 to 1.61 mills in the Fire and Police Retirement Fund, and 6.95 mills for the City Bond and Interest Fund.
3. Personnel cost will increase in FY 2016 due to cost-of-living raises.

CONTACTING THE CITY OF TUPELO FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's 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 Tupelo's Finance Department, P.O. Drawer 1485 Tupelo, MS 38802.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>ASSETS:</u>				
Current Assets:				
Cash	\$ 37,583,217	\$ 13,223,352	\$ 50,806,569	\$ 199,154
Cash - Restricted	-	2,660,166	2,660,166	-
Investments	14,189,200	-	14,189,200	-
General Property Taxes Receivable	566,574	-	566,574	-
Other Receivables	406,730	325,786	732,516	-
Lease Receivable	190,000	-	190,000	-
Accounts Receivable, Net	1,713,925	6,549,588	8,263,513	92,481
Accounts Receivable - Restricted	-	300,041	300,041	-
Accrued Interest Receivable - Restricted	-	6,032	6,032	-
Unbilled Revenue	-	1,939,578	1,939,578	-
Due from Other Funds	2,508,822	531,696	3,040,518	-
Due from Other Governmental Units	2,378,008	-	2,378,008	86,647
Due from Other Governmental Units - Restricted	-	798,318	798,318	-
Due from Custodian	-	-	-	365,227
Due from Trustee - Restricted	-	7,306,203	7,306,203	-
Due from Component Units	837,733	-	837,733	-
Inventories	54,118	1,055,252	1,109,370	59,657
Prepaid Expenses	37,010	86,841	123,851	18,549
Other Current Assets	-	83,038	83,038	-
TOTAL CURRENT ASSETS	60,465,337	34,865,891	95,331,228	821,715
Noncurrent Assets:				
Cash - Restricted	-	23,664,113	23,664,113	-
Notes Receivable	115,302	593,332	708,634	-
Home Grant Receivable	465,000	-	465,000	-
Other Receivables	-	41,581	41,581	-
Lease Receivable	1,555,000	-	1,555,000	-
Intangible Asset - Goodwill	-	-	-	586,930
Other Assets	-	2,493	2,493	-
Capital Assets:	-	-	-	-
Land	11,586,188	1,764,752	13,350,940	6,099,049
Plant, Buildings and Improvements	82,601,725	175,111,599	257,713,324	47,324,873
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	23,486,349	15,545,948	39,032,297	1,769,827
Infrastructure	115,757,518	-	115,757,518	-
Construction in Progress	18,608,336	14,355,429	32,963,765	492,581
Accumulated Depreciation	(97,566,444)	(90,076,513)	(187,642,957)	(23,416,149)
TOTAL NONCURRENT ASSETS	156,608,974	147,899,544	304,508,518	32,857,111
TOTAL ASSETS	217,074,311	182,765,435	399,839,746	33,678,826
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows Related to Pensions	6,918,801	1,032,552	7,951,353	143,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 6,918,801	\$ 1,032,552	\$ 7,951,353	\$ 143,310

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

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 746,929	\$ 7,304,840	\$ 8,051,769	\$ 271,484
Equity in Pooled Cash Deficit	555		555	-
Accrued Expenses	781,531	282,766	1,064,297	17,731
Accrued Interest	466,347	11,941	478,288	-
Due to Other Funds	-	2,648,709	2,648,709	-
Due to Other Governmental Units and Entities	1,178,874	-	1,178,874	351,293
Unearned Revenues	794,209	-	794,209	36,944
Current Portion of Capital Lease	-	-	-	8,250
Long-Term Debt: Due Within One Year	4,224,664	1,903,792	6,128,456	122,079
Customer and Event Deposits	45,088	3,131,261	3,176,349	-
TOTAL CURRENT LIABILITIES	8,238,197	15,283,309	23,521,506	807,781
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	617,960	617,960	-
Accrued Compensated Absences	954,739	100,815	1,055,554	9,624
Due to Other Funds	-	4,024,583	4,024,583	-
Net Pension Liability	39,383,639	7,444,988	46,828,627	815,566
Long-Term Obligation under Capital Lease	-	-	-	9,318
Long-Term Debt: Due in More Than One Year	52,362,272	28,357,415	80,719,687	828,978
TOTAL NONCURRENT LIABILITIES	92,700,650	40,545,761	133,246,411	1,663,486
TOTAL LIABILITIES	100,938,847	55,829,070	156,767,917	2,471,267
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows Related to Pensions	1,897,655	811,678	2,709,333	51,155
Deferred Amount of Bond Premium	181,575	-	181,575	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,079,230	811,678	2,890,908	51,155
<u>NET POSITION</u>				
Net Investment in Capital Assets	97,420,389	92,026,913	189,447,302	31,256,308
Restricted for:				
Capital Projects	6,454,227	27,597,988	34,052,215	81,639
Debt Service	16,410,577	2,723,651	19,134,228	-
Special Revenue	5,617,046	-	5,617,046	-
Water Reserve	547,875	-	547,875	-
Unrestricted (Deficit)	(5,475,079)	4,808,687	(666,392)	(38,233)
TOTAL NET POSITION	\$ 120,975,035	\$ 127,157,239	\$ 248,132,274	\$ 31,299,714

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2015

For the year ended September 30, 2016

FUNCTIONS/ PROGRAMS	Net (Expense) Revenue and Changes in Net Position								COMPONENT UNIT Tupelo Airport Authority
	Expenses	PROGRAM REVENUES				PRIMARY GOVERNMENT			
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 5,555,352	\$ 527,229	\$ 149,735	\$ -	\$ 676,964	\$ (4,878,388)	\$ -	\$ (4,878,388)	\$ -
Public Safety	18,987,834	1,560,803	430,051	344,305	2,335,159	(16,652,675)	-	(16,652,675)	-
Public Works	9,362,147	-	-	2,743,565	2,743,565	(6,618,582)	-	(6,618,582)	-
Culture and Recreation	8,740,533	3,504,884	14,818	-	3,519,702	(5,220,831)	-	(5,220,831)	-
Other Functions	4,396,967	-	-	-	-	(4,396,967)	-	(4,396,967)	-
Capital Projects	790,527	-	-	481,371	481,371	(309,156)	-	(309,156)	-
Debt Service	1,941,269	-	-	-	-	(1,941,269)	-	(1,941,269)	-
TOTAL GOVERNMENTAL ACTIVITIES	49,774,629	5,592,916	594,604	3,569,241	9,756,761	(40,017,868)	-	(40,017,868)	-
Business-Type Activities:									
Water and Sewer	9,630,259	10,549,903	-	50,887	10,600,790	-	970,531	970,531	-
Electric	56,925,024	56,657,037	-	-	56,657,037	-	(267,987)	(267,987)	-
Northeast MS Regional Water Supply Dist.	3,708,796	3,141,649	-	3,207,876	6,349,525	-	2,640,729	2,640,729	-
Solid Waste Management	3,210,667	3,283,802	-	-	3,283,802	-	73,135	73,135	-
TOTAL BUSINESS-TYPE ACTIVITIES	73,474,746	73,632,391	-	3,258,763	76,891,154	-	3,416,408	3,416,408	-
TOTAL PRIMARY GOVERNMENT	\$ 123,249,375	\$ 79,225,307	\$ 594,604	\$ 6,828,004	\$ 86,647,915	\$ (40,017,868)	\$ 3,416,408	\$ (36,601,460)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 3,263,459	\$ 1,758,061	\$ -	\$ 706,178	\$ 2,464,239	\$ -	\$ -	\$ -	\$ (799,220)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 5,793,012	\$ -	\$ 5,793,012	\$ -
Property Taxes, Levied for Capital Outlay						4,513,258	-	4,513,258	-
Property Taxes, Levied for Special Revenue						1,214,061	-	1,214,061	-
Property Taxes, Levied for Debt Service						3,372,530	-	3,372,530	-
Sales Taxes						25,992,397	-	25,992,397	-
County Pro Rata Taxes						1,108,660	-	1,108,660	-
Franchise Taxes						375,405	-	375,405	-
In Lieu Taxes						4,429,708	-	4,429,708	-
Gasoline Taxes & Other Taxes						247,200	-	247,200	-
Homestead Reimbursement						500,459	-	500,459	-
Fire Protection Allocation						187,971	-	187,971	-
Investment Earnings						334,223	22,943	357,166	160
Gain (Loss) on Disposal of Assets						(110,560)	21,150	(89,410)	1,750
Miscellaneous						1,218,595	-	1,218,595	10,250
Transfers (to) from Component Units						(4,551,002)	(1,238,509)	(5,789,511)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						44,625,917	(1,194,416)	43,431,501	12,160
CHANGE IN NET POSITION						4,608,049	2,221,992	6,830,041	(787,060)
NET POSITION--BEGINNING, as previously stated						147,146,287	131,843,508	278,989,795	32,744,572
PRIOR PERIOD ADJUSTMENT						(30,779,301)	(6,908,261)	(37,687,562)	(657,798)
NET POSITION--BEGINNING, as restated						116,366,986	124,935,247	241,302,233	32,086,774
NET POSITION--ENDING						\$ 120,975,035	\$ 127,157,239	\$ 248,132,274	\$ 31,299,714

See accompanying notes to financial statements.

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

	General Fund	Water G. O. Bonds Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash	\$ 18,104,751	\$ 265,318	\$ 5,235,686	\$ 13,977,462	\$ 37,583,217
Investments	-	14,005,545	-	183,655	14,189,200
General Property Taxes Receivable	234,592	-	-	331,982	566,574
Other Receivable	62,572	-	25,019	319,139	406,730
Home Grant Receivable	465,000	-	-	-	465,000
Notes Receivable	-	-	-	115,302	115,302
Due from Other Funds	2,508,822	-	-	-	2,508,822
Due from Other Government Units	2,002,320	-	30,074	345,614	2,378,008
Due from Component Units	837,733	-	-	-	837,733
Prepaid Expenses	37,010	-	-	-	37,010
Inventories	28,861	-	-	25,257	54,118
TOTAL ASSETS	\$ 24,281,661	\$ 14,270,863	\$ 5,290,779	\$ 15,298,411	\$ 59,141,714
<u>LIABILITIES AND FUND BALANCES:</u>					
<u>LIABILITIES:</u>					
Accounts Payable	\$ 379,720	\$ -	\$ 120,228	\$ 246,981	\$ 746,929
Equity in Pooled Cash Deficit	-	-	-	555	555
Accrued Expenses	758,841	-	-	22,690	781,531
Due to Other Entities	1,178,874	-	-	-	1,178,874
Unearned Revenues	40,907	-	1,086	752,216	794,209
Event Deposits	-	-	-	45,088	45,088
TOTAL LIABILITIES	2,358,342	-	121,314	1,067,530	3,547,186
<u>FUND BALANCES:</u>					
Nonspendable					
Prepaid Expenses	37,010	-	-	-	37,010
Inventory	28,861	-	-	25,257	54,118
Long-Term Receivables	1,259,918	-	-	-	1,259,918
Restricted for					
Library	-	-	-	33,772	33,772
Tourism Promotion	-	-	-	3,795,889	3,795,889
Public Safety Retirement	-	-	-	27,779	27,779
Law Enforcement	-	-	-	1,759,606	1,759,606
Construction Acquisition of Capital Assets	-	-	2,653,079	2,192,967	4,846,046
Public Safety Equipment	-	-	-	1,608,181	1,608,181
Debt Service	-	14,270,863	-	2,139,714	16,410,577
Water Reserve	547,875	-	-	-	547,875
Committed to					
Rental Rehabilitation	-	-	-	118,880	118,880
Fairpark Infrastructure	-	-	-	78,861	78,861
Construction Acquisition of Capital Assets	-	-	2,516,386	-	2,516,386
Assigned to					
Coliseum Projects	-	-	-	1,629,160	1,629,160
Coliseum Operations	-	-	-	820,815	820,815
Unassigned	20,049,655	-	-	-	20,049,655
TOTAL FUND BALANCES	21,923,319	14,270,863	5,169,465	14,230,881	55,594,528
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,281,661	\$ 14,270,863	\$ 5,290,779	\$ 15,298,411	\$ 59,141,714

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
For the year ended September 30, 2015**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 55,594,528
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.	154,473,672
Long-term liabilities, including bonds and accrued interest, are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(57,053,283)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(954,739)
Deferred revenues for capital lease receivables deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.	1,745,000
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(39,383,639)
Deferred outflows and inflows related to pensions are applicable to future periods and, therefore are not reported in the Governmental Funds Balance Sheet:	
Deferred outflows of resources related to defined benefit pension plan	6,918,801
Deferred inflows of resources related to defined benefit pension plan	(1,897,655)
Accrual of court fine revenues to qualify as financial resources.	1,713,925
Unamortized bond discounts and premiums are not current financial resources and therefore are not reported in the governmental funds balance sheet.	<u>(181,575)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 120,975,035</u>

See accompanying notes to financial statements.

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

	General Fund	Water G. O. Bonds Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 7,045,507	\$ -	-	\$ 9,143,661	\$ 16,189,168
Licenses and Permits	902,634	-	-	-	902,634
Intergovernmental Revenues	24,255,140	3,190,116	3,077,870	4,808,242	35,331,368
Charges for Services	656,722	-	-	3,041,664	3,698,386
Fines and Forfeitures	1,289,115	-	-	78,340	1,367,455
Miscellaneous Revenues	556,752	1,561	219,769	962,301	1,740,383
TOTAL REVENUES	<u>34,705,870</u>	<u>3,191,677</u>	<u>3,297,639</u>	<u>18,034,208</u>	<u>59,229,394</u>
EXPENDITURES:					
Current:					
General Government	4,587,683	-	-	-	4,587,683
Public Safety	15,318,596	-	-	937,535	16,256,131
Public Works	4,822,654	-	-	-	4,822,654
Culture and Recreation	3,637,281	-	-	3,942,752	7,580,033
Other Functions	1,037,265	-	-	2,840,880	3,878,145
Capital Projects	-	-	10,524,526	5,698,905	16,223,431
Debt Service	257,945	669,380	-	4,863,189	5,790,514
TOTAL EXPENDITURES	<u>29,661,424</u>	<u>669,380</u>	<u>10,524,526</u>	<u>18,283,261</u>	<u>59,138,591</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,044,446</u>	<u>2,522,297</u>	<u>(7,226,887)</u>	<u>(249,053)</u>	<u>90,803</u>
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	(3,791,549)	-	(2,500,000)	(6,827,081)	(13,118,630)
Transfers from Other Funds	2,540,756	-	7,056,223	3,521,651	13,118,630
Transfers to Component Units	-	(4,889,608)	-	-	(4,889,608)
Transfers from Component Units	-	338,606	-	-	338,606
Proceeds from Debt Issued	-	-	4,000,000	-	4,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,250,793)</u>	<u>(4,551,002)</u>	<u>8,556,223</u>	<u>(3,305,430)</u>	<u>(551,002)</u>
NET CHANGE IN FUND BALANCES	3,793,653	(2,028,705)	1,329,336	(3,554,483)	(460,199)
FUND BALANCES - Beginning	<u>18,129,666</u>	<u>16,299,568</u>	<u>3,840,129</u>	<u>17,785,364</u>	<u>56,054,727</u>
FUND BALANCES - Ending	<u>\$ 21,923,319</u>	<u>\$ 14,270,863</u>	<u>5,169,465</u>	<u>\$ 14,230,881</u>	<u>\$ 55,594,528</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (460,199)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the 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.	16,084,164
Depreciation expense on capital assets is reported in the statement of activities , but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(6,487,547)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	(154)
Proceeds for lease of building to nonprofit organization reported as lease income on the governmental funds financial statements.	(185,000)
Governmental funds report bond premiums and discounts as other financing sources or uses. However, in the statement of activities bond premiums or discounts are reported as deferred inflows or deferred outflows amortized over the term of the bonds.	11,093
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the remaining basis of the capital assets sold.	(110,560)
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.	(3,996,181)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(53,358)
Bond and related debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(4,000,000)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,902,603
Increase in accrual of compensated absences.	<u>(96,812)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>4,608,049</u></u>

See accompanying notes to financial statements.

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

	Budget			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 6,997,304	\$ 6,997,304	\$ 6,868,378	\$ (128,926)
Licenses and Permits	832,000	832,000	882,978	50,978
Intergovernmental Revenues	22,988,236	25,897,477	26,162,330	264,853
Charges for Services	660,500	705,500	656,722	(48,778)
Fines and Forfeitures	1,092,000	1,092,000	1,289,115	197,115
Miscellaneous Revenues	438,700	512,419	548,215	35,796
TOTAL REVENUES	33,008,740	36,036,700	36,407,738	371,038
EXPENDITURES:				
Current:				
General Government	4,784,791	4,830,791	4,587,683	243,108
Public Safety	15,428,259	15,690,872	15,318,596	372,276
Public Works	5,287,727	5,288,227	4,822,654	465,573
Culture and Recreation	3,652,590	3,747,729	3,637,281	110,448
Other Functions	877,680	3,601,527	1,037,265	2,564,262
Debt Service	262,315	262,315	257,945	4,370
TOTAL EXPENDITURES	30,293,362	33,421,461	29,661,424	3,760,037
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,715,378	2,615,239	6,746,314	4,131,075
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	2,531,310	2,531,310	2,540,756	9,446
Transfers to Other Funds	(3,196,549)	(3,791,549)	(3,791,549)	-
TOTAL OTHER FINANCING SOURCES (USES)	(665,239)	(1,260,239)	(1,250,793)	9,446
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ 2,050,139	\$ 1,355,000	\$ 5,495,521	\$ 4,140,521

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
WATER G.O. BONDS FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2015

	Budget			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Intergovernmental Revenues:				
State Shared Revenues	\$ 3,100,000	\$ 3,100,000	\$ 3,190,116	\$ 90,116
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>-</u>	<u>1,561</u>	<u>1,561</u>
TOTAL REVENUES	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,191,677</u>	<u>91,677</u>
EXPENDITURES:				
Debt Service:				
General Obligations:				
Bonds Redeemed	265,000	265,000	265,000	-
Interest	397,680	397,680	397,680	-
Paying Agent Fees	<u>9,000</u>	<u>9,000</u>	<u>6,700</u>	<u>2,300</u>
TOTAL EXPENDITURES	<u>671,680</u>	<u>671,680</u>	<u>669,380</u>	<u>2,300</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,428,320</u>	<u>2,428,320</u>	<u>2,522,297</u>	<u>93,977</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) From Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(11,766,510)</u>	<u>(11,766,510)</u>	<u>(4,551,002)</u>	<u>7,215,508</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,766,510)</u>	<u>(11,766,510)</u>	<u>(4,551,002)</u>	<u>7,215,508</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (9,338,190)</u>	<u>\$ (9,338,190)</u>	<u>\$ (2,028,705)</u>	<u>\$ 7,309,485</u>

See accompanying notes to financial statements.

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

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 6,648,909	\$ 6,648,909	\$ 3,047,796	\$ (3,601,113)
Miscellaneous Revenues:				
Interest	-	-	4,409	4,409
Donations	-	5,000	21,000	16,000
Other	-	-	169,591	169,591
TOTAL REVENUES	<u>6,648,909</u>	<u>6,653,909</u>	<u>3,242,796</u>	<u>(3,411,113)</u>
EXPENDITURES:				
Bond Issue Costs	-	87,000	87,000	-
Other Services and Charges	661,460	696,460	383,449	313,011
Capital Outlay:				
Capital Outlay	<u>23,062,076</u>	<u>25,555,478</u>	<u>10,054,077</u>	<u>15,501,401</u>
TOTAL EXPENDITURES	<u>23,723,536</u>	<u>26,338,938</u>	<u>10,524,526</u>	<u>15,814,412</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,074,627)</u>	<u>(19,685,029)</u>	<u>(7,281,730)</u>	<u>12,403,299</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	10,000,000	10,000,000	4,000,000	(6,000,000)
Transfers to Other Funds	-	(2,500,000)	(2,500,000)	-
Transfers from Other Funds	<u>5,551,429</u>	<u>7,676,429</u>	<u>7,056,223</u>	<u>(620,206)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,551,429</u>	<u>15,176,429</u>	<u>8,556,223</u>	<u>(6,620,206)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (1,523,198)</u>	<u>\$ (4,508,600)</u>	<u>\$ 1,274,493</u>	<u>\$ 5,783,093</u>

See accompanying notes to financial statements.

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

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
ASSETS					
Current Assets - Unrestricted					
Cash	\$ 9,803,644	\$ 2,830,671	\$ 449	\$ 588,588	\$ 13,223,352
Receivables, Net					
Accounts Receivable	6,549,588	-	-	-	6,549,588
Unbilled Revenue	1,685,052	254,526	-	-	1,939,578
Other Receivables	278,475	47,311	-	-	325,786
Due from Other Governments	-	-	-	-	-
Due from Other Funds	44,747	480,642	-	6,307	531,696
Inventories	947,864	54,991	52,397	-	1,055,252
Prepaid Expenses	51,390	9,874	25,577	-	86,841
Other Current Assets	83,038	-	-	-	83,038
Current Amount of Restricted Assets	-	-	11,070,760	-	11,070,760
Total Current Assets	19,443,798	3,678,015	11,149,183	594,895	34,865,891
Restricted Assets					
Cash	-	-	26,324,279	-	26,324,279
Accounts Receivable	-	-	300,041	-	300,041
Intergovernmental Receivable	-	-	798,318	-	798,318
Due from Trustee	-	-	7,306,203	-	7,306,203
Interest Receivable	-	-	6,032	-	6,032
Total Restricted Assets	-	-	34,734,873	-	34,734,873
Current Amounts Above	-	-	(11,070,760)	-	(11,070,760)
Total Non-Current Restricted Assets	-	-	23,664,113	-	23,664,113
Capital Assets					
Plant and Equipment	51,664,567	101,354,220	37,193,892	444,868	190,657,547
Land and Land Rights	333,013	772,303	659,436	-	1,764,752
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	1,244,230	8,027,848	5,083,351	-	14,355,429
Total	53,241,810	117,051,181	42,936,679	444,868	213,674,538
Less: Accumulated Depreciation	26,986,146	43,140,385	19,603,530	346,452	90,076,513
Net Fixed Assets	\$ 26,255,664	\$ 73,910,796	\$ 23,333,149	\$ 98,416	\$ 123,598,025

NOTE -- Amounts for the Electric Fund are at June 30, 2015.

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

-Continued-

Business-Type Activities--Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Other Assets					
Other Assets	\$ -	\$ 200	\$ 2,293	\$ -	\$ 2,493
Receivable from Customers for Energy Conservation Loans	593,332	-	-	-	593,332
Receivable from CSA	41,581	-	-	-	41,581
Total Other Assets	634,913	200	2,293	-	637,406
Total Assets	46,334,375	77,589,011	58,148,738	693,311	182,765,435
DEFERRED OUTFLOWS OF RESOURCES	355,705	571,968	28,206	76,673	1,032,552
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted Current Assets:					
Accounts Payable	5,169,182	553,246	-	181,671	5,904,099
Customer and Other Deposits	2,478,240	653,021	-	-	3,131,261
Accrued Interest	-	11,558	-	383	11,941
Accrued Expenses	279,955	-	-	-	279,955
Due to Other Funds	2,459	2,500,000	-	-	2,502,459
Total Payable from Unrestricted Current Assets	7,929,836	3,717,825	-	182,054	11,829,715
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	146,250	-	146,250
Accounts Payable	-	-	90,836	-	90,836
Accrued Payroll and Payroll Taxes	-	-	2,811	-	2,811
Construction / Retainage Payable	-	-	1,309,905	-	1,309,905
Bonds, Notes, and Loans Payable	-	1,732,063	151,519	20,210	1,903,792
Total Payable from Restricted Current Assets	-	1,732,063	1,701,321	20,210	3,453,594
Total Current Liabilities	7,929,836	5,449,888	1,701,321	202,264	15,283,309

NOTE -- Amounts for the Electric Fund are at June 30, 2015.

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

-Continued-

Business-Type Activities--Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Long-Term Liabilities - Net of Current Maturities					
Net Pension Liability	\$ 3,580,761	\$ 3,273,406	\$ 154,580	\$ 436,241	\$ 7,444,988
Accrued Compensated Absences Due to City of Tupelo	59,794	41,021	-	-	100,815
Water G. O. Bond Fund	-	-	4,024,583	-	4,024,583
Advances from TVA	617,960	-	-	-	617,960
Bonds, Notes, and Loans Payable	-	27,466,142	869,668	21,605	28,357,415
Total Long-Term Liabilities	4,258,515	30,780,569	5,048,831	457,846	40,545,761
Total Liabilities	12,188,351	36,230,457	6,750,152	660,110	55,829,070
DEFERRED INFLOWS OF RESOURCES					
	519,057	249,703	22,380	20,538	811,678
Net Position					
Net Investment in Capital Assets	26,255,664	44,712,591	21,002,057	56,601	92,026,913
Restricted for:					
Capital Projects	-	-	24,462,618	-	24,462,618
Operations and Debt Service	-	-	2,723,651	-	2,723,651
Plant Expansion Project	-	-	3,135,370	-	3,135,370
Unrestricted (Deficit)	7,727,008	(3,031,772)	80,716	32,735	4,808,687
Total Net Position	\$ 33,982,672	\$ 41,680,819	\$ 51,404,412	\$ 89,336	\$ 127,157,239

NOTE -- Amounts for the Electric Fund are at June 30, 2015.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2015

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING REVENUES					
Charges for Services	\$ 55,752,335	\$ 10,361,646	\$ 3,141,649	\$ 3,082,303	\$ 72,337,933
Rents	312,186	111,533	-	-	423,719
Other Revenues	592,516	76,724	-	201,499	870,739
Total Operating Revenues	56,657,037	10,549,903	3,141,649	3,283,802	73,632,391
OPERATING EXPENSES					
General and Administrative	844,894	630,603	186,491	-	1,661,988
Power Purchased	48,645,083	-	-	-	48,645,083
Transmission Mains	-	914,022	-	-	914,022
Water Operations	-	1,477,216	2,392,183	-	3,869,399
Sewer Operations	-	2,715,120	-	-	2,715,120
Electric Operations	537,801	-	-	-	537,801
Sanitation Operations	-	-	-	3,170,769	3,170,769
Customer Accounting and Collecting	591,528	745,492	-	-	1,337,020
Customer Service and Information	41,606	-	-	-	41,606
Maintenance and Repair	865,009	-	-	-	865,009
Sales Expense	41,683	-	-	-	41,683
Taxes and Equivalents	3,313,529	-	-	-	3,313,529
Amortization and Depreciation	2,043,891	2,628,117	1,097,086	16,593	5,785,687
Total Operating Expenses	56,925,024	9,110,570	3,675,760	3,187,362	72,898,716
Net Operating Income	(267,987)	1,439,333	(534,111)	96,440	733,675
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	8,850	4,577	8,778	738	22,943
Gain on Disposal of Fixed Assets	-	21,150	-	-	21,150
Bad Debts	-	(34,138)	-	(21,754)	(55,892)
Interest Expense	-	(485,551)	(33,036)	(1,551)	(520,138)
Total Non-operating Revenues (Expenses)	8,850	(493,962)	(24,258)	(22,567)	(531,937)
Income (Loss) before Operating Transfers	(259,137)	945,371	(558,369)	73,873	201,738

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2015.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2015
-Continued-

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District District for Debt Service	\$ -	\$ (1,238,509)	\$ -	\$ -	\$ (1,238,509)
Total Operating Transfers In (Out)	-	(1,238,509)	-	-	(1,238,509)
Increase (Decrease) in Net Assets Before Capital Contributions	(259,137)	(293,138)	(558,369)	73,873	(1,036,771)
Capital Grants and Contributions	-	50,887	3,207,876	-	3,258,763
Change in Net Position	(259,137)	(242,251)	2,649,507	73,873	2,221,992
TOTAL NET POSITION -					
Beginning of Year, as previously stated	38,021,234	44,575,880	48,895,267	351,127	131,843,508
Prior Period Adjustment	(3,779,425)	(2,652,810)	(140,362)	(335,664)	(6,908,261)
TOTAL NET POSITION -					
Beginning of Year, as restated	34,241,809	41,923,070	48,754,905	15,463	124,935,247
TOTAL NET POSITION -					
End of Year	\$ <u>33,982,672</u>	\$ <u>41,680,819</u>	\$ <u>51,404,412</u>	\$ <u>89,336</u>	\$ <u>127,157,239</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2015.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2015

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 56,796,494	\$ 10,498,175	\$ 3,134,757	\$ 3,262,048	\$ 73,691,474
Payments to Suppliers	(49,034,646)	(4,605,688)	(2,516,396)	(3,118,753)	(59,275,483)
Payments to Employees	(1,862,169)	(1,355,049)	(70,725)	-	(3,287,943)
Payments for Other Services and Charges	(3,907,895)	-	-	-	(3,907,895)
Other Receipts (Payments)	42,925	73,907	-	-	116,832
Net Cash Provided by (Used in) Operating Activities	2,034,709	4,611,345	547,636	143,295	7,336,985
Cash Flows from Noncapital Financing Activities:					
Due To (From) Municipality	(15,443)	2,021,172	-	(5,657)	2,000,072
Transfers In (Out)	-	(1,238,509)	-	-	(1,238,509)
Net Cash Provided by (Used In) Noncapital Financing Activities	(15,443)	782,663	-	(5,657)	761,563
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	50,887	4,888,897	-	4,939,784
Proceeds from Notes Payable	-	7,201,921	-	-	7,201,921
Payments to State Revolving Loan Fund	-	-	(147,046)	-	(147,046)
Payments for Debt	-	(2,204,935)	(138,750)	(20,210)	(2,363,895)
Purchase of Capital Assets	(477,366)	(10,204,142)	(1,999,387)	-	(12,680,895)
Cost of Removal of Fixed Assets, Net of Salvage	(121,765)	-	-	-	(121,765)
Other Receipts	1,181,818	-	-	-	1,181,818
Conservation Advances from TVA	63,016	-	-	-	63,016
Interest Paid	-	(473,993)	(33,036)	(1,168)	(508,197)
Net Cash Provided by (Used In) Capital and Related Financing Activities	645,703	(5,630,262)	2,570,678	(21,378)	(2,435,259)
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	(48,840)	-	-	-	(48,840)
(Increase) Decrease in Receivable from CSA	902	-	-	-	902
Interest and Dividends	8,850	4,577	7,709	738	21,874
Net Cash Provided by (Used In) Investing Activities	(39,088)	4,577	7,709	738	(26,064)
Net Increase (Decrease) In Cash and Cash Equivalents	2,625,881	(231,677)	3,126,023	116,998	5,637,225
Cash and Cash Equivalents--Beginning	7,177,763	3,062,348	23,198,705	471,590	33,910,406
Cash and Cash Equivalents--Ending	\$ 9,803,644	\$ 2,830,671	\$ 26,324,728	\$ 588,588	\$ 39,547,631

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2015.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2015

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (267,987)	\$ 1,439,333	\$ (534,111)	\$ 96,440	\$ 733,675
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,043,891	2,628,117	1,097,086	16,593	5,785,687
Net Pension Expense	(35,312)	298,331	8,392	44,442	315,853
Provision for Uncollectible Accounts	(10,370)	(34,138)	-	(21,754)	(66,262)
Decrease (Increase) in Assets:					
Accounts Receivable	427,659	-	(6,892)	-	420,767
Unbilled Revenue	(226,709)	(16,349)	-	-	(243,058)
Other Receivables	(8,944)	(1,241)	-	-	(10,185)
Due from Other Governments	-	-	-	-	-
Inventory	148,237	8,244	9,662	-	166,143
Prepaid Expenses	3,569	28,019	(218)	-	31,370
Other Current Assets	746	-	(2,193)	-	(1,447)
Increase (Decrease) in Liabilities:					
Accounts Payable	(232,335)	221,330	(24,090)	7,574	(27,521)
Customer and Other Deposits	113,279	45,888	-	-	159,167
Accrued Expenses	78,985	(6,189)	-	-	72,796
Total Adjustments	2,302,696	3,172,012	1,081,747	46,855	6,603,310
Net Cash Provided by (Used in) Operating Activities	\$ 2,034,709	\$ 4,611,345	\$ 547,636	\$ 143,295	\$ 7,336,985

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2015.

See accompanying notes to financial statements.

CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2015

	Agency Funds
ASSETS	
Cash	\$ 1,349,751
Investments	500
Due from Employees	<u>2,111</u>
TOTAL ASSETS	\$ <u>1,352,362</u>
 LIABILITIES	
Accounts Payable	\$ 9,752
Due to Other Funds	8,822
Due to Complainants	6,964
Due to Arts Committee	735
Due to Insured Employees	1,226,647
Seized Money Held	<u>99,442</u>
TOTAL LIABILITIES	\$ <u>1,352,362</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City operates under a Mayor-Council form of government and provides the following services: public safety (police and fire), public services (streets and sanitation), recreation, economic development, utilities (electricity, water and sewer), community services, urban redevelopment and housing, public improvements, planning and zoning, and general administrative services.

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The accounting policies of the City of Tupelo conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

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 statements distinguish 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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 government-wide financial statements. The focus of governmental and enterprise fund financial statements are on major funds. Each major fund is presented in a separate column. Non-major funds, where applicable, are aggregated and presented in a single column. Fiduciary funds are reported by type.

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 purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, 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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Types

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 Funds – Debt Service Funds were 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. These are non-major governmental funds except for the Water G. O. Bonds fund, which is considered major.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Projects Funds – Capital Projects Funds are used to account for financial resources such as proceeds from the sale of bonds, bond anticipation notes, capital notes, transfers from governmental funds, and federal and state grants, all provided for the specific purpose of constructing, reconstructing or acquiring permanent or semi-permanent capital improvements. Capital improvements intended for Enterprise Fund use are not included in the Capital Projects Funds. These are non-major governmental funds except for the the City Infrastructure Fund, which is considered major.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. These are non-major governmental funds.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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.

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 Tupelo.

Combined 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 Tupelo.

Solid Waste Management Fund – This fund is used to account for the cost of providing solid waste services to the City.

Northeast Mississippi Regional Water Supply District Fund (Water District) – This fund is used to account for the activities of the water supply district as a blended component unit.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for employees, other individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Component Units

As required by generally accepted accounting principles, these financial statements present the primary city government and its component units, entities over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary city government. The discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the city government.

Component units of the City, except the Tupelo Public Improvement Corporation, issue separately audited financial statements. Separate financial statements for the Water District and the Airport Authority may be obtained from the City's Budget and Accounting Department.

**Blended Component
Unit Presented
with the Primary
Government**

**Description of Activities and
Relationship to the City**

Presented As

Tupelo Public
Improvement
Corporation

This corporation accounts for most of the construction for the coliseum. Certificates of Participation were issued to finance this project with a pay-back period of twenty years.

Debt Service
Fund

Component units are reported in the City's general purpose financial statements as shown in the following table:

Northeast
Mississippi
Regional Water
Supply District
(Water District)

This entity constructs and operates facilities to supply an alternative source of water to Tupelo, Lee County and adjoining areas. The Water District is governed by a Board of Commissioners consisting of eleven (11) members: five (5) appointed by Lee County, Mississippi, five (5) appointed by the City of Tupelo, and one (1) by a consensus of the two governments.

Enterprise
Fund

The Water District is reported as a component unit by the City of Tupelo under the fiscal dependency criterion. The Water District cannot, in substance, issue bonded debt because any bonded debt would be junior and subordinate to City of Tupelo Bonds issued for the project.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

<u>Discretely Presented Component Unit</u>	<u>Description of Activities and Relationship to the City</u>
Tupelo Airport Authority (Airport Authority)	<p>They plan, establish, develop, construct, enlarge, improve, maintain, equip, operate, regulate and protect the Airport and Air Navigation facilities. They also develop and operate an industrial park.</p> <p>The City appoints all members of the governing board and provides a material subsidy primarily for capital improvements.</p>

The general purpose financial statements do not include funds of the Tupelo Public School District because the City does not have financial accountability for the school district.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements, deferred inflows and deferred outflows, represent a consumption of net position that applies to future periods (deferred outflows) or an acquisition of net position that applies to future periods (deferred inflows). The City has deferred outflows and inflows related to pensions. See Note 12 for further details.

LONG-TERM DEBT AND BOND DISCOUNTS / PREMIUMS

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums are capitalized and amortized over the terms of the respective bonds using a straight line method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

FIXED ASSETS

The City's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical costs and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and component unit financial statements. The City generally capitalizes assets with costs of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

<i>Electric Plant Assets:</i>	
Transmission Plant	33 - 36 years
Electric Distribution Plant	20 - 50 years
General Electric Plant	10 - 50 years
<i>Airport Facilities:</i>	
Equipment	2 - 15 years
Furniture and Fixtures	7 - 10 years
Runways/Taxiway and Lighting	7 - 25 years
<i>City Assets:</i>	
Equipment	3 - 10 years
Buildings	30 - 40 years
Other Improvements	20 years
Infrastructure	20 - 50 years

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City of Tupelo.

CASH AND INVESTMENTS

Cash consists of amounts on deposit with financial institutions in demand accounts, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition.

Cash is valued at cost. Investments consist of US Treasury notes and US government securities funds. The City deposits funds in the financial institutions selected by the City Council in accordance with state statutes.

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

INVENTORIES

Inventories for the Electric Fund and Combined Water and Sewer Fund are valued at average cost. Inventories for governmental fund types are valued at actual cost under the first-in, first-out method. The City uses the consumption method for inventories; thus, inventories are recorded as expenditures or expenses when they are used.

The Water District maintains a chemical inventory, which is recorded at cost (calculated on the first-in, first-out basis).

LOANS TO OTHER FUNDS OR OTHER GOVERNMENTAL UNITS

Advances represent the non-current portions (due after one year) of interfund loans or loans to other governmental units. The current portions of loans are reported as "Due From" in the asset accounts and are considered available resources.

CASH EQUIVALENTS

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when acquired to be cash equivalents.

FUND BALANCES / NET POSITION

On the government-wide and proprietary fund statement of net position, the City reports net position in the following three categories:

Net Investment in Capital Assets – consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition or construction of those assets.

Restricted Net Position – consists of assets, less any related liabilities, restricted externally by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – consists of net position that is not classified as net investment in capital assets or restricted net position.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* – this statement enhances the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. The fund balance amounts for governmental funds have been reclassified in accordance with this GASB statement. See the below notes for further descriptions of the City's fund balance classifications and policies.

On the fund financial statements, the governmental funds balance sheet reports assets in excess of liabilities as fund balances. The fund balances are segregated into the following classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent:

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

FUND BALANCES / NET POSITION – continued

On the fund financial statements, the governmental funds balance sheet reports assets in excess of liabilities as fund balances. The fund balances are segregated into the following classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent:

Nonspendable – the fund balance is reported as nonspendable when the resources are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – the fund balance is reported as restricted when constraints placed on the resources are (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – the fund balance is reported as committed for amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the council. Committed amounts cannot be uncommitted except by removing the constraints through the same formal action.

Assigned – the fund balance is reported as assigned for resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the board of aldermen or an official to which the board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that is not otherwise reported as restricted or assigned to specific purposes. This classification is also used to report any negative fund balance in other governmental funds.

RESTRICTED ASSETS

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited by applicable bond covenants.

The Water District and the Tupelo Airport Authority reports as restricted all assets that are subject to legal, contractual and/or grant restrictions.

TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS - OVERVIEW

Total columns on the Combined Financial Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 Tupelo's participation in the Public Employees' Retirement System of Mississippi (PERS), and additions to/deductions from the City of Tupelo'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). Investments are reported at fair value.

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.

NOTE 2 - FIREMEN AND POLICEMEN RETIREMENT FUND

The City maintains the Firemen and Policemen Retirement Fund (a Special Revenue Fund) for the purpose of making payments to the Public Employee's Retirement System (PERS) of Mississippi for the funding of pensions of firemen and policemen employed prior to March 1, 1976. During the fiscal year ended September 30, 1987, the PERS assumed control of the Municipal Firemen's and Policemen's Retirement System, under which these employees are covered, and the fund's assets previously held by a bank trustee were transferred to PERS at that time.

Revenues of the fund for the year ended September 30, 2015, consist of allocations of general property ad valorem taxes of \$758,240 and homestead exemption reimbursement of \$25,894 derived from a 1.68 mil levy. Accumulated plan benefit information, as estimated by consulting actuaries, and plan net position for the fund are as follows:

Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 5,723,000</u>
Assumed Rate of Return Used in Plan Evaluation	8%
Plan Evaluation Date	June 30, 2015
Plan Assets Available for Benefits as of June 30, 2015	<u>\$ 5,976,000</u>

The legislative act under which the retirement plan was established does not require the City to maintain statutory or actuarial reserves to provide for future requirements. Under the statute, if funds are insufficient to make all payments, the beneficiaries cannot file suit against the City, but amounts available are to be prorated until such time funds generated by the tax levy are sufficient to make all payments for the full amounts allowed. The Mississippi Legislature of 1976 passed House Bill 1471 which provided a new retirement system for uniformed and sworn firemen and policemen at the option of the municipality. The City of Tupelo exercised the option, and firemen and policemen employed subsequent to February 29, 1976 are members of the Public Employees' Retirement System of the State.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 3 - BUDGETARY BASIS

The Mayor and City Council 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 City Council 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.

Section 21-35-25, Miss. Code Ann. (1972), provides for the revision of the final adopted budget. This law allows governing authorities to revise the budget at any time. The only exception is it is limited to one revision during the first three months of a new term of office, and this revision must be made by the last regular meeting in August.

At all other times, governing authorities must revise the budget (at a regular council meeting) to bring it into proper balance at any time a deficit is indicated or when it appears at any time prior to the regular July meeting that budgeted revenues will not materialize.

Public notice must be provided when budget amendments result in a 10 percent increase or decrease in a municipal department's total budget. For purposes of determining if a 10 percent change has occurred, all amendments made to a department's budget since its budget was originally adopted, or since the last adopted published revision, must be added together.

Section 21-35-15, Miss. Code Ann. (1972), provides that expenditures shall not exceed budget estimates, measured at the lowest level adopted in the budget, except for capital outlay, election expenses and payment of emergency warrants.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 3 - BUDGETARY BASIS – continued

The City budgets its Enterprise Funds as required by state law. However, the budgets were not on the "capital maintenance" measurement focus and were not in a format comparable to the actual reporting format used by the City to maintain its books and the format used to prepare the City's financial statements included in this report; consequently, comparison between budgeted amounts and actual results per the financial statements was not practicable.

NOTE 4 - GENERAL PROPERTY TAXES

General property taxes, other than motor vehicles and mobile homes, attach as an enforceable lien on property as of January 1 for the previous calendar year and are due by February 1 based on the levy set by the City Council the previous September. Taxes on motor vehicles and mobile homes attach as an enforceable lien at various dates throughout the year based on when the property was acquired by the owner and are due in the month of acquisition and annually thereafter based on the annual levy in effect at that time. All property taxes, including motor vehicle taxes, are collected by the Lee County Tax Collector and remitted to the City. The County Tax Collector also collects taxes for the Tupelo Public School District (TPSD), which includes property outside the City limits, but within the School District.

The adjusted assessed valuation of the taxable property of the City and the Tupelo Public School District for which current payment was due during the fiscal year ended September 30, 2015 is as follows:

	<u>City</u>	<u>TPSD</u>
Real Property	\$ 319,662,781	\$ 13,100,290
Personal Property - Other		
Than Motor Vehicles &		
Mobile Homes	86,714,593	29,684,075
Personal Property - Motor		
Vehicles & Mobile Homes	<u>52,119,243</u>	<u>4,411,936</u>
	<u>\$ 458,496,617</u>	<u>\$ 47,196,301</u>

The City levied a tax millage of 32.47 mills and 64.11 mills on the assessed valuation of the City and Tupelo Public School District property, respectively. The millage was allocated as follows:

	<u>City</u>	<u>TPSD</u>
General Fund	12.83	0.00
Library Fund	1.01	0.00
City Bond and Interest Fund	6.95	0.00
Firemen and Policemen Retirement Fund	1.68	0.00
City Thoroughfare Fund	10.00	0.00
School Bonds Payable	0.00	5.92
Short-Term Debt	0.00	3.19
School Maintenance Fund	0.00	54.58
Shortfall Note-2010	0.00	0.00
Tupelo/Lee County Vo-Tech	<u>0.00</u>	<u>.42</u>
	<u>32.47</u>	<u>64.11</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 4 - GENERAL PROPERTY TAXES – continued

Collections for the School Bond and Interest Funds (1991 and 1994 Bonds), School Notes Payable Funds, School Maintenance Fund, Minimum Education Program Funds, Tupelo/Lee County Vo-Tech and Assumption of Lee County School Bond Debt are remitted by the County and/or the City to the Tupelo Public School District.

NOTE 5 - FIXED ASSETS

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

	<u>Balance Oct. 1, 2014</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2015</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 11,586,188	\$ -	\$ -	\$ 11,586,188
Construction in Progress	<u>16,522,234</u>	<u>14,353,246</u>	<u>(12,267,144)</u>	<u>18,608,336</u>
Total Capital Assets, not being Depreciated:	28,108,422	14,353,246	(12,267,144)	30,194,524
Capital Assets being Depreciated:				
Buildings and Improvements	82,037,717	-	564,008	82,601,725
Machinery and Equipment	22,523,908	1,730,918	(768,477)	23,486,349
Infrastructure	<u>104,275,422</u>	<u>-</u>	<u>11,482,096</u>	<u>115,757,518</u>
Total Capital Assets, being Depreciated	208,837,047	1,730,918	11,277,627	221,845,592
Less Accumulated Depreciation for:				
Buildings and Improvements	(17,831,423)	(1,885,140)	-	(19,716,563)
Machinery and Equipment	(16,088,061)	(1,177,225)	878,957	(16,386,329)
Infrastructure	<u>(58,038,370)</u>	<u>(3,425,182)</u>	<u>-</u>	<u>(61,463,552)</u>
Total Accumulated Depreciation	<u>(91,957,854)</u>	<u>(6,487,547)</u>	<u>878,957</u>	<u>(97,566,444)</u>
Total Governmental Activities				
Capital Assets, net	\$ <u><u>144,987,615</u></u>	\$ <u><u>9,596,617</u></u>	\$ <u><u>(110,560)</u></u>	\$ <u><u>154,473,672</u></u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 5 - FIXED ASSETS – continued

	<u>Balance Oct. 1, 2014</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2014</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,764,752	\$ -	\$ -	\$ 1,764,752
Construction in Progress	<u>6,172,493</u>	<u>10,944,882</u>	<u>(2,761,946)</u>	<u>14,355,429</u>
Total Capital Assets, not being Depreciated:	7,937,245	10,944,882	(2,761,946)	16,120,181
Capital Assets being Depreciated:				
Buildings and Improvements	178,536,131	2,472,987	999,291	182,008,409
Machinery and Equipment	<u>15,370,130</u>	<u>264,386</u>	<u>(88,568)</u>	<u>15,545,948</u>
Total Capital Assets, being Depreciated	193,906,261	2,737,373	910,723	197,554,357
Less Accumulated Depreciation for:				
Buildings and Improvements	(72,810,783)	(5,080,362)	610,978	(77,280,167)
Machinery and Equipment	<u>(12,179,587)</u>	<u>(705,325)</u>	<u>88,566</u>	<u>(12,796,346)</u>
Total Accumulated Depreciation	<u>(84,990,370)</u>	<u>(5,785,687)</u>	<u>699,544</u>	<u>(90,076,513)</u>
Total Business-Type Activities				
Capital Assets, net	\$ <u>116,853,136</u>	\$ <u>7,896,568</u>	\$ <u>(1,151,679)</u>	\$ <u>123,598,025</u>
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	<u>6,882,732</u>	<u>505,364</u>	<u>(6,895,515)</u>	<u>492,581</u>
Total Capital Assets, not being Depreciated:	12,981,781	505,364	(6,895,515)	6,591,630
Capital Assets being Depreciated:				
Buildings and Improvements	40,408,266	21,092	6,895,515	47,324,873
Machinery and Equipment	<u>1,798,353</u>	<u>25,362</u>	<u>(53,888)</u>	<u>1,769,827</u>
Total Capital Assets, being Depreciated	42,206,619	46,454	6,841,627	49,094,700
Less Accumulated Depreciation for:				
Buildings and Improvements	(20,674,744)	(1,288,902)	-	(21,963,646)
Machinery and Equipment	<u>(1,407,950)</u>	<u>(95,630)</u>	<u>51,077</u>	<u>(1,452,503)</u>
Total Accumulated Depreciation	<u>(22,082,694)</u>	<u>(1,384,532)</u>	<u>51,077</u>	<u>(23,416,149)</u>
Total Component Unit				
Capital Assets, net	\$ <u>33,105,706</u>	\$ <u>(832,714)</u>	\$ <u>(2,811)</u>	\$ <u>32,270,181</u>
Total Capital Assets	\$ <u>294,946,457</u>	\$ <u>16,569,017</u>	\$ <u>(1,173,596)</u>	\$ <u>310,341,878</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 5 - FIXED ASSETS – continued

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

Governmental Activities:

General Government	\$ 867,098
Public Safety	677,517
Public Works	4,070,117
Culture and Recreation	<u>872,815</u>

Total Depreciation Expense - Governmental Activities	\$ <u>6,487,547</u>
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Business-Type Activities:

Electric Department	\$ 2,043,891
Water and Sewer	2,628,117
Northeast Mississippi Regional Water Supply District	1,097,086
Solid Waste	<u>16,593</u>

Total Depreciation Expense - Business-Type Activities	\$ <u>5,785,687</u>
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Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,384,532</u>
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NOTE 6 - LONG-TERM DEBT

BONDS PAYABLE

A summary of bond transactions of the City for the year ended September 30, 2015 is as follows:

	<u>GENERAL OBLIGATION</u>	<u>SPECIAL ASSESSMENTS GENERAL OBLIGATION</u>	<u>LIMITED OBLIGATIONS TAX INCREMENT</u>	<u>SPECIAL OBLIGATION BONDS</u>	<u>TOTAL</u>
Bonds Payable at October 01, 2014	\$ 42,105,000	\$ 265,000	\$ 680,000	\$ 12,280,000	\$ 55,330,000
Bonds issued	4,000,000	-	-	-	4,000,000
Bonds retired	<u>(3,075,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(1,140,000)</u>	<u>(4,385,000)</u>
Bonds Payable at September 30, 2015	<u>\$ 43,030,000</u>	<u>\$ 180,000</u>	<u>\$ 595,000</u>	<u>\$ 11,140,000</u>	<u>\$ 54,945,000</u>

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds include General City Bonds, G. O. Water Bonds, and School Bonds.

During 2015, the City issued general obligation bonds, series 2015, in the amount of \$4,000,000. The purpose of this bond issue is to provide funds for City-wide infrastructure improvements and capital equipment acquisitions.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 6 - LONG-TERM DEBT – continued

Special Assessments General Obligation Bonds are secured by an irrevocable pledge of the special assessment ad valorem taxes to be levied annually upon the property benefited by the project. The full faith, credit and resources of the City are irrevocably pledged for the payment of the principal and interest on the bonds.

Limited Obligation Tax Increment Bonds are secured by an irrevocable pledge of the ad valorem taxes to be levied annually upon incremental increase in assessed value of all taxable real property within and forming a part of The Mall at Barnes Crossing Project.

The annual principal and interest requirements to amortize all bonds outstanding as of September 30, 2015 (including interest payments of \$11,131,756 on General Obligation Bonds; \$27,490 on Special Assessments General Obligation Bonds; \$119,287 on Limited Obligation Tax Increment Bonds; and \$2,739,400 on Special Obligation Bonds) are as follows:

<u>Year Ending September 30,</u>	<u>General Obligation</u>	<u>Special Assessments General Obligation Bonds</u>	<u>Limited Obligations Tax Increment</u>	<u>Special Obligation Bonds</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,875,000	\$ 50,000	\$ 90,000	\$ 1,185,000	\$ 1,852,907	\$ 6,052,907
2017	2,825,000	30,000	90,000	1,245,000	1,716,361	5,906,361
2018	2,975,000	30,000	100,000	1,300,000	1,565,891	5,970,891
2019	3,405,000	35,000	45,000	1,360,000	1,415,276	6,260,276
2020	2,855,000	35,000	50,000	1,420,000	1,259,199	5,619,199
2021 - 2025	12,565,000	-	220,000	4,195,000	4,099,042	21,079,042
2026 - 2030	10,030,000	-	-	435,000	1,762,919	12,227,919
2031 - 2034	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,338</u>	<u>5,846,338</u>
Total	\$ <u>43,030,000</u>	\$ <u>180,000</u>	\$ <u>595,000</u>	\$ <u>11,140,000</u>	\$ <u>14,017,933</u>	\$ <u>68,962,933</u>

NOTES PAYABLE

A summary of notes payable transactions of the City for the year ended September 30, 2015 is as follows:

Notes Payable at October 01, 2014	\$ 25,422,783
Notes issued	7,201,921
Notes retired	<u>(1,742,748)</u>
Notes Payable at September 30, 2015	\$ <u>30,881,956</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 6 - LONG-TERM DEBT – continued

Eleven different capital improvement revolving loans make up the September 30, 2015 notes payable balance. Seven of the loans are in repayment status with outstanding balances of \$15,876,407, \$3,947,087, \$1,162,591, \$625,202, \$283,725, \$336,054, and \$1,340,660 at year-end. The annual requirements to amortize the seven finalized notes outstanding as of September 30, 2015 (including interest payments of \$2,936,188) are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,776,937	\$ 442,995	\$ 2,219,932
2017	1,810,949	408,613	2,219,562
2018	1,845,668	373,523	2,219,191
2019	1,881,112	337,708	2,218,820
2020	1,917,299	301,151	2,218,450
2021-2025	10,239,560	930,343	11,169,903
2026-2030	3,877,759	131,881	4,009,640
2031-2033	222,442	9,974	232,416
Total	<u>\$ 23,571,726</u>	<u>\$ 2,936,188</u>	<u>\$ 26,507,914</u>

DUE TO CITY OF TUPELO G.O. BONDS FUND

The Water District has pledged proceeds sufficient to pay the principal and interest of and redemption premium, if any, on the proportion of the bonds which are not paid by a special sales tax as further explained in Note 20.

Scheduled Payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 146,250	\$ 188,780	\$ 335,030
2017	153,750	180,736	334,486
2018	161,250	172,280	333,530
2019	168,750	164,088	332,838
2020	178,333	157,209	335,542
2021 – 2025	1,029,583	670,255	1,699,838
2026 – 2030	1,316,667	424,453	1,741,120
2031 – 2034	1,016,250	102,710	1,118,960
	<u>\$ 4,170,833</u>	<u>\$ 2,060,511</u>	<u>\$ 6,231,344</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 6 - LONG-TERM DEBT – continued

NOTES PAYABLE - AIRPORT AUTHORITY

The City of Tupelo loaned the Airport Authority \$1,500,000 during the year ended September 30, 2007 for the acquisition of fixed base operations. This loan bears interest at 4% through August 1, 2022 and is payable in monthly installments of \$11,095.

	<u>2015</u>
Due to City of Tupelo	\$ 786,473
Less Current Portion	<u>103,570</u>
Long-Term Portion	<u>\$ 682,903</u>

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 103,570	\$ 29,570	\$ 133,140
2017	107,790	25,351	133,141
2018	112,181	20,959	133,140
2019	116,752	16,389	133,141
2020	121,508	11,632	133,140
2021-2022	<u>224,672</u>	<u>8,322</u>	<u>232,994</u>
	<u>\$ 786,473</u>	<u>\$ 112,223</u>	<u>\$ 898,696</u>

NOTES PAYABLE - AIRPORT AUTHORITY

The Tupelo Airport Authority issued a promissory note with Mississippi Development Authority for \$200,000 on July 1, 2013. This loan bears interest at 3 % through May 1, 2023 and is payable in ten annual installments of \$23,446.

	<u>2015</u>
Due to MDA	\$ 164,584
Less Current Portion	<u>18,509</u>
Long-Term Portion	<u>\$ 146,075</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 6 - LONG-TERM DEBT – continued

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 18,509	\$ 4,937	\$ 23,446
2017	19,064	4,382	23,446
2018	19,636	3,810	23,446
2019	20,225	3,221	23,446
2020	20,832	2,614	23,446
2021-2023	<u>66,318</u>	<u>4,020</u>	<u>70,338</u>
	\$ <u>164,584</u>	\$ <u>22,984</u>	\$ <u>187,568</u>

STATE REVOLVING LOANS

Northeast Mississippi Regional Water Supply District has incurred long-term debt with the Drinking Water Systems Improvements Revolving Loan Fund as administered by the Mississippi Department of Health and the Mississippi Department of Environmental Quality in conjunction with three construction projects. The loan balances increase when administrative fees (deferred charges to be amortized over the life of the loan) are charged and project costs are reimbursed. Interest began accruing on the original construction contract completion date at 3%. Interest accrued before the initiation of the repayment schedule will be added to the amount of the loan to be repaid. The loans are payable in 236/237 monthly installments.

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 151,519	\$ 28,563	\$ 180,082
2017	156,127	23,955	180,082
2018	160,876	19,206	180,082
2019	165,769	14,313	180,082
2020	170,812	9,271	180,083
2021 – 2022	<u>216,084</u>	<u>4,719</u>	<u>220,803</u>
	\$ <u>1,021,187</u>	\$ <u>100,027</u>	\$ <u>1,121,214</u>

NOTE 7 - LEASES

TUPELO AIRPORT AUTHORITY RENTALS UNDER OPERATING LEASES

The Authority has entered into agreements to lease airport land and facilities to an airline, car rental agencies, fixed base operators and individuals.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 7 - LEASES – continued

The following is a schedule by years of minimum future rental payments receivable on non cancellable operating leases as of September 30, 2015:

<u>Year Ending September 30,</u>	
2016	\$ 333,298
2017	284,892
2018	278,008
2019	279,809
2020	245,266
2021 – 2025	1,114,987
2026 – 2030	946,495
2031	134,188
Total Minimum Future Rentals	\$ <u>3,616,943</u>

NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$593,332 receivable from customers for energy conservation loans and represents unbilled amounts due from customers as a result of their participation in an energy conservation program sponsored by TVA in which customers install energy conservation measures approved by a TVA energy advisor. The installation charges are paid by the Electric Department and billed to the customer over a period of time on the customer's monthly utility bill. TVA reimburses the Electric Department for amounts paid out under the program. Repayments are made to TVA by the Electric Department as collections are made from the customers. Advances from TVA for energy conservation loans represent the amounts advanced by TVA, net of repayments, under this program.

NOTE 9 - DUE FROM/TO OTHER FUNDS AND ADVANCES TO/FROM OTHER FUNDS

Individual fund Due from Other Funds and Due to Other Funds balances as of September 30, 2015 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,508,822	\$ -
Special Revenue Funds:		
Rental Rehab Fund	-	-
Coliseum Project Fund	-	-
Narcotics Fund	-	-
Coliseum Operating Fund	-	-
Capital Projects Funds:		
City Infrastructure Fund	-	-
Proprietary Funds:		
Electric Fund*	-	486,949
Combined Water and Sewer Fund	480,642	2,500,000
Solid Waste Management Fund	6,307	-
Agency Funds:		
Flexible Spending Fund	-	8,822
Total	\$ <u>2,995,771</u>	\$ <u>2,995,771</u>

* Amounts for the Electric Fund are at September 30, 2015.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 10 - NONCURRENT ASSETS

The following receivables at September 30, 2015 were not received within sixty days after that date and, therefore, are not deemed to constitute available spendable resources and are not a component of net current assets:

Rental Rehabilitation Fund (a Special Revenue Fund)	
Notes Receivables	\$ <u>115,302</u>

General Fund	
Home Grant Receivable	\$ <u>465,000</u>

NOTE 11 - CONTRIBUTED CAPITAL

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the Federal Aviation Administration, with certain matching funds provided by the City of Tupelo and State of Mississippi. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred. Grants for capital asset acquisition, facility development and rehabilitation are reported as Capital Contributions in the Statement of Revenues, Expenses and Changes in Net Position.

The Water and Sewer fund recognizes capital grants and contributions in the Statement of Revenues, Expenses, and Changes in Net Position when received by an intermediary governmental entity.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

Plan Description - Employees of the City of Tupelo and the Tupelo Airport Authority 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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year are eligible to receive an annual Cost-of-Living Adjustment (COLA). Designed to help offset the effects of inflation, the COLA is equal to 3% of your annual base benefit for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 % compounded for each fiscal year thereafter.

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

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

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

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

The following detailed analysis of payroll, pension liability, liability percentage, pension expense, deferred outflows, and deferred inflows, will be divided among the City of Tupelo (all funds except the following), the Coliseum Project Fund, Northeast Mississippi Regional Water Supply District (Water District), the Tupelo Airport Authority, the Water and Sewer Fund, and the Electric Fund (as of June 30, 2015). Separate employer contributions and employer allocation percentages are required for each of these entities.

Covered payroll below refers to all compensation paid to active employees covered by the Plan.

For the year ended September 30, 2015, the City of Tupelo's total payroll for all employees was \$15,780,460. Total covered payroll was \$15,387,575.

For the year ended September 30, 2015, the Coliseum Project Fund's total payroll for all employees was \$1,135,242. Total covered payroll was \$753,435.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

For the year ended September 30, 2015, the Water District's total payroll for all employees was \$57,200. Total covered payroll was also \$57,200.

For the year ended September 30, 2015, the Tupelo Airport Authority's total payroll for all employees was \$317,051. Total covered payroll was \$314,616.

For the year ended September 30, 2015, the Water and Sewer Fund's total payroll for all employees was \$1,348,859. Total covered payroll was \$1,332,497.

For the year ended June 30, 2015, the Electric Fund's total payroll for all employees was \$1,940,136. Total covered payroll was also \$1,903,784.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the City of Tupelo reported a liability of \$37,934,001 for its proportionate share of the net pension liability. The City of Tupelo share does include the Solid Waste Fund. The Coliseum Project Fund reported a liability of \$1,885,879 for its proportionate share. The Water District reported \$154,580, the Tupelo Airport Authority reported \$815,566, and the Water and Sewer Fund reported \$3,273,406. The Electric Fund as of June 30, 2015 reported a liability of \$3,580,761 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2015, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Tupelo's proportion of the net pension was based on a projection of the City of Tupelo's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City of Tupelo's proportion was 0.02454 percent. At June 30, 2015, the proportionate share for the Coliseum Project Fund was 0.0122 percent. At June 30, 2015, the proportionate share for the Water District was 0.0010 percent. At June 30, 2015, the proportionate share for the Tupelo Airport Authority was 0.00528 percent. At June 30, 2015, the proportionate share for the Water and Sewer Fund was 0.0212 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2014, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2014, the Electric Fund's proportion was 0.03201 percent.

For the year ended September 30, 2015, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$3,864,500. At September 30, 2015, the City of Tupelo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 583,785	\$ -
Net Difference Between Projected and Actual Investment Earnings	2,219,545	-
City Pension Contributions Subsequent to the Measurement Date	596,025	-
Changes of Assumptions	3,267,884	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	1,785,889
Total	\$ <u>6,667,239</u>	\$ <u>1,785,889</u>

The \$596,025 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 1,314,364
2017	1,314,364
2018	1,101,710
2019	554,887
Total	\$ <u>4,285,325</u>

For the year ended September 30, 2015, the Coliseum Project Fund recognized pension expense of \$176,123. At September 30, 2015, the Coliseum Project Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 29,023	\$ -
Net Difference Between Projected and Actual Investment Earnings	110,344	-
Coliseum Pension Contributions Subsequent to the Measurement Date	26,406	-
Changes of Assumptions	162,462	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	132,304
Total	\$ <u>328,235</u>	\$ <u>132,304</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$26,406 of deferred outflows of resources resulting from the Coliseum Project Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 49,344
2017	49,344
2018	43,252
2019	27,585
Total	\$ <u>169,525</u>

For the year ended September 30, 2015, the Water District recognized pension expense of \$17,401. At September 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,591	\$ -
Net Difference Between Projected and Actual Investment Earnings	9,045	-
Water District Pension Contributions Subsequent to the Measurement Date	2,254	-
Changes of Assumptions	13,316	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	22,380
Total	\$ <u>28,206</u>	\$ <u>22,380</u>

The \$2,254 of deferred outflows of resources resulting from the Water District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 253
2017	538
2018	520
2019	2,261
Total	\$ <u>3,572</u>

For the year ended September 30, 2015, the Tupelo Airport Authority recognized pension expense of \$114,706. At September 30, 2015, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 12,551	\$ -
Net Difference Between Projected and Actual Investment Earnings	47,719	-
TAA Pension Contributions Subsequent to the Measurement Date	12,781	-
Changes of Assumptions	70,259	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	51,155
Total	\$ <u>143,310</u>	\$ <u>51,155</u>

The \$12,781 of deferred outflows of resources resulting from the Tupelo Airport Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 23,567
2017	23,567
2018	20,309
2019	11,931
Total	\$ <u>79,374</u>

For the year ended September 30, 2015, the Water and Sewer Fund recognized pension expense of \$298,331. At September 30, 2015, the Water and Sewer Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 50,376	\$ -
Net Difference Between Projected and Actual Investment Earnings	191,529	-
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	48,070	-
Changes of Assumptions	281,993	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	249,703
Total	\$ <u>571,968</u>	\$ <u>249,703</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$48,070 of deferred outflows of resources resulting from the Water and Sewer Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 78,274
2017	78,274
2018	69,764
2019	47,883
Total	\$ 274,195

For the year ended June 30, 2015, the Electric Fund recognized pension expense of \$264,534. At June 30, 2015, the Electric Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 55,859	\$ -
Electric Fund Pension Contributions Subsequent to the Measurement Date	299,846	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	519,057
Total	\$ 355,705	\$ 519,057

The \$299,846 of deferred outflows of resources resulting from the Electric Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ (109,671)
2017	(109,671)
2018	(114,092)
2019	(129,764)
Total	\$ (463,198)

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

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

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

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

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

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

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 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 current employer

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Tupelo's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City of Tupelo's and the additional September 30, 2015 funds proportionate share of the net pension liability using the discount rate of 7.75 percent, as well as what the City of Tupelo'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 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	Discount Rate	City of Tupelo's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 50,000,488
Current Discount Rate	7.75%	37,934,001
1% Increase	8.75%	27,921,072
		Coliseum Project Fund's
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 2,485,762
Current Discount Rate	7.75%	1,885,879
1% Increase	8.75%	1,388,089
		Northeast MS Regional Water District's
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 203,751
Current Discount Rate	7.75%	154,580
1% Increase	8.75%	113,778
		Tupelo Airport Authority's
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 1,074,990
Current Discount Rate	7.75%	815,566
1% Increase	8.75%	600,292
		Water and Sewer Fund's
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 4,314,649
Current Discount Rate	7.75%	3,273,406
1% Increase	8.75%	2,409,369

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

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

	Discount Rate	Electric Fund's Proportionate Share of Net Pension Liability
1% Decrease	7.00%	\$ 4,881,643
Current Discount Rate	8.00%	3,580,761
1% Increase	9.00%	2,495,630

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 13 - TRANSFERS FROM/TO OTHER FUNDS/COMPONENT UNITS/PRIMARY GOVERNMENT

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund	\$ 3,791,549	\$ 2,540,756
Special Revenue Funds:		
CVB Fund	1,228,000	-
Coliseum Project Fund	1,722,090	1,615,120
Coliseum Operating Fund	-	449,745
Narcotics Fund	40,756	-
Debt Service Funds:		
Urban Renewal Debt Service Fund	-	300,000
Certificate of Participation Fund	-	972,345
MS Development Bank 2007 Issue	81,441	184,441
Capital Projects Funds:		
GO 2007 Construction Fund	3,754,794	-
City Infrastructure Fund	<u>2,500,000</u>	<u>7,056,223</u>
Total	<u>\$ 13,118,630</u>	<u>\$ 13,118,630</u>

<u>Fund</u>	<u>Transfers to Blended Component Unit</u>	<u>Transfers from Blended Component Unit</u>
Debt Service Fund:		
Water G.O. Bond Fund	\$ 4,889,608	\$ 338,606
Enterprise Fund:		
Combined Water and Sewer Fund	<u>1,238,509</u>	<u>-</u>
Total	<u>\$ 6,128,117</u>	<u>\$ 333,606</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 13 - TRANSFERS FROM/TO OTHER FUNDS/COMPONENT UNITS/PRIMARY GOVERNMENT – continued

Transfers between the primary government and blended component unit do not balance because the Water District reports differently from the City. The following is a reconciliation of the difference:

Transfers to Water G.O. Bond Fund reported as a reduction in Due to City of Tupelo Water G.O. Bond Fund and Interest Expense by the Water District	\$ 338,606
Transfers to Water District reported as Water Sales by Water District	(1,238,509)
Transfer to Water District reported as Contributed Capital by Water District	<u>(4,889,608)</u>
Difference	<u>\$ (5,789,511)</u>

NOTE 14 - INVESTMENTS WITH FINANCIAL INSTITUTIONS

Investments held during the fiscal year consisted only of the types of investments held at the end of the fiscal year. Investments made by the City that are included on the combined balance sheet at September 30, 2015, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

- Category 1 - Insured or registered or for which the securities are held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered for which the securities are held by the broker or dealers trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

<u>Investment Type</u>	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
U. S. Government Securities Funds*		X		\$ <u>14,189,700</u>	\$ <u>14,189,700</u>
Total Investments				\$ <u>14,189,700</u>	\$ <u>14,189,700</u>

*These funds invest only in U.S. Government securities.

NOTE 15 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2015, for vested, but unused, vacation or overtime since none of the City's liability at that date applicable to employees whose compensation is reflected as an expenditure in its governmental funds is expected to be liquidated with expendable available financial resources.

A liability for vested, but unused, vacation and overtime did exist at September 30, 2015, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2015, for the Electric Fund and has been reflected in these financial statements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 15 - LIABILITY FOR COMPENSATED ABSENCES – continued

As provided by Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, the primary government and the Airport Authority do not have any liability for unused sick leave accumulated by its employees since the employees do not have a vested right to receive sick pay benefits; i.e., the employees' rights to receive compensation for future absences for sick leave is contingent on the absences being caused by the employee's future illness resulting prior to termination of his/her employment with the City or the Airport Authority.

NOTE 16 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$171,985 to reflect the provision for uncollectible accounts. The accrual amount of court fine receivables on the Statement of Net Position – Government – Wide has been reduced by \$9,363,919 to reflect the provision for uncollectible fines.

NOTE 17 - SOLID WASTE DISPOSAL SERVICE AGREEMENT

The City is party to a service agreement with Three Rivers Solid Waste Management Authority (Authority). The Authority agreed to construct and operate facilities for the disposal of solid waste. The City agreed to deliver all acceptable solid waste over which it has legal authority to control to the Authority for disposal. By reason of the incorporation agreement of the Authority and the service agreement between the City and the Authority, the City is a voting member of the Authority. In addition, the City remains obligated to pay its pro rata share of the Authority's bonded indebtedness incurred during the City's membership in the Authority. Financial statements of the Authority are available.

NOTE 18 - SOLID WASTE MANAGEMENT FUND

Pursuant to Section 17-17-347, Mississippi Code Annotated (1972), the City of Tupelo has established a solid waste management system accounted for through an enterprise fund to determine the full and complete cost for solid waste management within the service area.

NOTE 19 - GENERAL OBLIGATION WATER BONDS

In 1988, the State of Mississippi authorized through legislation the issuance of general obligation bonds by the City of Tupelo for the construction and acquisition of alternative source water supply facilities and payment of interest on bonds, establishment of reserves to secure such bonds and payment of expenses incident to the issuance of such bonds. The act also provided for the imposition of a specific sales tax, at the rate of one-quarter of one percent upon all sales and services within the City of Tupelo which are subject to the general rate of state sales tax, the proceeds of which are to be used to pay for fifty percent (50%) of the cost of construction and financing of the project.

Pursuant to this act, the City of Tupelo, on February 2, 1989, issued \$21,000,000 in general obligation bonds and transferred the proceeds to the Northeast Mississippi Regional Water Supply District. The full faith, credit and resources of the City of Tupelo are irrevocably pledged for the payment of the principal and interest on the bonds. On August 1, 1996, the City refunded a portion of the Series 1989 bonds as more fully explained in Note 21. On December 17, 2008 the Series 1989 bonds were refunded in their entirety and City of Tupelo issued \$9,995,000 in General Obligation Water Bonds Series 2008. Although refunded, the bond covenants and agreements from the Series 1989 issue remain in effect.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 19 - GENERAL OBLIGATION WATER BONDS – continued

In connection with the issuance of the above bonds, a trust indenture involving the City of Tupelo, the Northeast Mississippi Regional Water Supply District, and Hancock Bank was executed. As per the terms of this trust indenture, various agreements were reached and trust accounts were established as follows:

1. The bond proceeds were placed in the "Water Construction Fund" trust account and are an asset of the Water District, which shall own and manage the system.
2. The debt service on the bonds is to be handled through the "Water Supply Bond Fund" trust account. The assets in this trust account and its two subaccounts, the "Special Sales Tax Subaccount" trust account and the "Water Revenue Subaccount" trust account, are assets of the City of Tupelo and are reflected in its Water G. O. Bonds Fund (a Debt Service Fund).

The assets of the "Special Sales Tax Subaccount" can only be used to pay up to 50% of each debt service disbursement; the remainder must come from the other subaccount or other sources. The Water District, which owns the system, has pledged a sufficient portion of its revenues to the payment of the principal and interest on the bonds as they come due to the extent not paid with the proceeds of the special sales tax.

The Water District's billings for water include an amount to pay the remaining 50% of each debt service disbursement. The City of Tupelo treats this amount as a transfer to the Water District for debt service. The Water District reflects these payments as water revenues. Total water fees reported by the City as debt service transfers to the Water District for the year ended September 30, 2015 was \$1,238,509.

NOTE 20 - DUE FROM CITY OF TUPELO WATER BONDS CONSTRUCTION FUND

On December 17, 2008, the City of Tupelo issued \$9,995,000 in General Obligation Water Bonds Series 2008 and executed an Agreement with the Water District. The agreement provides that the City of Tupelo will take the necessary steps to issue the aforementioned bonds and shall deposit the balance of the proceeds with a trustee for use by the District. The use of the bonds shall be for the plant expansion project. The balance on deposit with the Trustee at September 30, 2015, was \$7,306,203, which is reported as Due From Trustee.

NOTE 21 - RISK MANAGEMENT

The City of Tupelo 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, workers' compensation liabilities funded through a public entity risk pool, and catastrophic natural disasters that may exceed insurance coverages 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 employers 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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 21 - RISK MANAGEMENT – continued

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.

NOTE 22 - CONTINGENT LIABILITIES

Litigation

The City is a defendant in various litigations arising out of normal business activities. Although the City carries commercial insurance to protect itself against damage claims, it is possible that the ultimate resolution of cases may exceed the City's insured limits. Management, with the advice of legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial statements.

Federally Assisted Programs – Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 23 - ECONOMIC DEPENDENCY

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2015 (its year-end) of \$7,729,962. This represented approximately 13.9% of the Department's revenues for the year.

NOTE 24 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the net pension liability and the provision for uncollectible court fines as mentioned in Note 12 and Note 16, respectively. It is as least reasonably possible that the significant estimate used will change within the next year.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 25 - BUDGET / GAAP RECONCILIATION

The major difference between the budgetary basis and the GAAP basis is:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major fund.

	Governmental Fund Types		
	General Fund	Water G. O. Bonds Fund	City Infrastructure Fund
Budget (Cash Basis)	\$ 5,495,521	\$ (2,028,705)	\$ 1,274,493
Increase (Decrease) Net adjustments for revenue accruals	<u>(1,701,868)</u>	<u>-</u>	<u>54,843</u>
GAAP Basis	\$ <u>3,793,653</u>	\$ <u>(2,028,705)</u>	\$ <u>1,329,336</u>

NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS

The City of Tupelo and its component units have entered in the following commitments:

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2015</u>	<u>Remaining Commitment at September 30, 2015</u>
General City	East Main Enhancement	\$ 11,528,115	\$ 5,922,013	\$ 5,606,102
General City	Police Headquarters	7,938,985	2,516,064	5,422,921
General City	Natchez Trace Bridge	7,419,729	7,403,211	16,518
Airport	Airport Improvement Programs	911,352	423,034	488,318
Airport	Multimodal Projects	<u>130,230</u>	<u>48,279</u>	<u>81,951</u>
		\$ <u>27,928,411</u>	\$ <u>16,312,601</u>	\$ <u>11,615,810</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 27 - NEW ACCOUNTING STANDARD

During the year ended September 30, 2015, the City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Implementation resulted in a direct decrease in net position of \$37,274,573 for the City and \$657,798 for Tupelo Airport Authority.

NOTE 28 - PRIOR PERIOD ADJUSTMENT

The prior year financial statements did not have an accrual for accrued interest payable. The result of this omission was a \$412,989 understatement of accrued interest payable for the governmental activities. The beginning liability and the net position have been restated in the governmental activities to correct this omission. See Note 27 for details related to the prior period adjustment required due to the implementation of a new accounting standard.

NOTE 29 - CAPITAL LEASE RECEIVABLE

The amount reported as a lease receivable in the governmental activities is a lease in which the City has leased a building to the Tupelo Automobile Museum. The City constructed the building with financing from a taxable bond issue.

The future minimum lease payments of the capital lease receivable at September 30, 2015, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 190,000	\$ 63,274	\$ 253,274
2017	200,000	56,384	256,384
2018	210,000	49,132	259,132
2019	210,000	41,517	251,517
2020	220,000	33,903	253,903
2021-2023	<u>715,000</u>	<u>52,397</u>	<u>767,397</u>
Total	\$ <u>1,745,000</u>	\$ <u>296,607</u>	\$ <u>2,041,607</u>

NOTE 30 - SUBSEQUENT EVENTS

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management evaluated the activity of the City through March 21, 2016, (the date the financial statements were available to be issued) and noted the following item which require disclosure in the notes to the financial statements. In November 2015, the City awarded a bid for sewer system improvements in the amount of \$1,857,907. In December 2015, the City awarded two bids for two community safe rooms in the amounts of \$1,222,000 and \$1,233,000.

SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

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

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 8,520,410	\$ 3,832,223	\$ 1,624,829	\$ 13,977,462
Investments	-	-	183,655	183,655
General Property Taxes Receivable	45,362	168,625	117,995	331,982
Other Receivable	99,114	-	220,025	319,139
Notes Receivable	115,302	-	-	115,302
Due from Other Government Units	345,614	-	-	345,614
Inventories	25,257	-	-	25,257
TOTAL ASSETS	\$ 9,151,059	\$ 4,000,848	\$ 2,146,504	\$ 15,298,411
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 119,352	\$ 120,839	\$ 6,790	\$ 246,981
Equity in Pooled Cash Deficit	555	-	-	555
Accrued Expenses	22,690	-	-	22,690
Unearned Revenues	752,216	-	-	752,216
Event Deposits	45,088	-	-	45,088
TOTAL LIABILITIES	939,901	120,839	6,790	1,067,530
<u>FUND BALANCES:</u>				
Nonspendable				
Inventory	25,257	-	-	25,257
Restricted for				
Library	33,772	-	-	33,772
Tourism Promotion	3,795,889	-	-	3,795,889
Public Safety Retirement	27,779	-	-	27,779
Law Enforcement	1,759,606	-	-	1,759,606
Construction Acquisition of Capital Assets	-	2,192,967	-	2,192,967
Public Safety Equipment	-	1,608,181	-	1,608,181
Debt Service	-	-	2,139,714	2,139,714
Committed to				
Rental Rehabilitation	118,880	-	-	118,880
Fairpark Infrastructure	-	78,861	-	78,861
Construction Acquisition of Capital Assets	-	-	-	-
Assigned to				
Coliseum Projects	1,629,160	-	-	1,629,160
Coliseum Operations	820,815	-	-	820,815
TOTAL FUND BALANCES	8,211,158	3,880,009	2,139,714	14,230,881
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,151,059	\$ 4,000,848	\$ 2,146,504	\$ 15,298,411

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2015

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,257,873	\$ 4,513,258	\$ 3,372,530	\$ 9,143,661
Intergovernmental Revenues	4,088,121	613,001	107,120	4,808,242
Fines and Forfeitures	78,340	-	-	78,340
Charges for Services	3,041,664	-	-	3,041,664
Miscellaneous Revenues	644,323	60,345	257,633	962,301
TOTAL REVENUES	<u>9,110,321</u>	<u>5,186,604</u>	<u>3,737,283</u>	<u>18,034,208</u>
EXPENDITURES:				
Current:				
Public Safety	937,535	-	-	937,535
Culture and Recreation	3,942,752	-	-	3,942,752
Other Functions	2,840,880	-	-	2,840,880
Capital Projects	-	5,698,905	-	5,698,905
Debt Service	-	-	4,863,189	4,863,189
TOTAL EXPENDITURES	<u>7,721,167</u>	<u>5,698,905</u>	<u>4,863,189</u>	<u>18,283,261</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,389,154</u>	<u>(512,301)</u>	<u>(1,125,906)</u>	<u>(249,053)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,990,846)	(3,754,794)	-	(6,745,640)
Transfers In	2,064,865	-	1,375,345	3,440,210
TOTAL OTHER FINANCING SOURCES (USES)	<u>(925,981)</u>	<u>(3,754,794)</u>	<u>1,375,345</u>	<u>(3,305,430)</u>
NET CHANGE IN FUND BALANCES	<u>463,173</u>	<u>(4,267,095)</u>	<u>249,439</u>	<u>(3,554,483)</u>
FUND BALANCES - Beginning	<u>7,747,985</u>	<u>8,147,104</u>	<u>1,890,275</u>	<u>17,785,364</u>
FUND BALANCES - Ending	<u>\$ 8,211,158</u>	<u>\$ 3,880,009</u>	<u>\$ 2,139,714</u>	<u>\$ 14,230,881</u>

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2015
With Comparative Totals for September 30, 2014

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2015	9/30/2014
ASSETS									
Cash	\$ 16,741	\$ 3,482,140	\$ 3	\$ 1,629,160	\$ 3,578	\$ 1,623,499	\$ 1,765,289	\$ 8,520,410	\$ 7,846,030
Receivables:									
Notes	-	-	-	-	115,302	-	-	115,302	121,481
Other	-	9,699	-	-	-	89,415	-	99,114	111,057
General Property Taxes	17,031	-	28,331	-	-	-	-	45,362	10,885
Due from Other									
Governmental Units	-	345,614	-	-	-	-	-	345,614	340,316
Due from Other Funds	-	-	-	-	-	-	-	-	275,830
Inventories	-	-	-	-	-	25,257	-	25,257	23,864
Prepaid Expenses	-	-	-	-	-	-	-	-	29,083
TOTAL ASSETS	<u>\$ 33,772</u>	<u>\$ 3,837,453</u>	<u>\$ 28,334</u>	<u>\$ 1,629,160</u>	<u>\$ 118,880</u>	<u>\$ 1,738,171</u>	<u>\$ 1,765,289</u>	<u>\$ 9,151,059</u>	<u>\$ 8,758,546</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ 41,564	\$ -	\$ -	\$ -	\$ 72,105	\$ 5,683	\$ 119,352	\$ 150,224
Equity in Pooled Cash Deficit	-	-	555	-	-	-	-	555	-
Accrued Expenses	-	-	-	-	-	22,690	-	22,690	28,133
Due to Other Funds	-	-	-	-	-	-	-	-	278,100
Unearned Revenues	-	-	-	-	-	752,216	-	752,216	534,680
Event Deposits	-	-	-	-	-	45,088	-	45,088	19,424
Total Liabilities	<u>-</u>	<u>41,564</u>	<u>555</u>	<u>-</u>	<u>-</u>	<u>892,099</u>	<u>5,683</u>	<u>939,901</u>	<u>1,010,561</u>
Fund Balances:									
Nonspendable									
Inventory	-	-	-	-	-	25,257	-	25,257	19,040
Restricted for									
Library	33,772	-	-	-	-	-	-	33,772	11,354
Tourism Promotion	-	3,795,889	-	-	-	-	-	3,795,889	3,341,981
Public Safety Retirement	-	-	27,779	-	-	-	-	27,779	6,824
Law Enforcement	-	-	-	-	-	-	1,759,606	1,759,606	1,755,255
Committed to									
Rental Rehabilitation	-	-	-	-	118,880	-	-	118,880	127,948
Assigned to									
Coliseum Projects	-	-	-	1,629,160	-	-	-	1,629,160	1,733,716
Coliseum Operations	-	-	-	-	-	820,815	-	820,815	751,867
Total Fund Balances	<u>33,772</u>	<u>3,795,889</u>	<u>27,779</u>	<u>1,629,160</u>	<u>118,880</u>	<u>846,072</u>	<u>1,759,606</u>	<u>8,211,158</u>	<u>7,747,985</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,772</u>	<u>\$ 3,837,453</u>	<u>\$ 28,334</u>	<u>\$ 1,629,160</u>	<u>\$ 118,880</u>	<u>\$ 1,738,171</u>	<u>\$ 1,765,289</u>	<u>\$ 9,151,059</u>	<u>\$ 8,758,546</u>

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2015	9/30/2014
REVENUES									
Taxes:									
General Property Taxes	\$ 455,821	\$ -	\$ 758,240	\$ -	\$ -	\$ -	\$ -	\$ 1,214,061	\$ 1,186,902
Payments in Lieu of Taxes	-	43,812	-	-	-	-	-	43,812	51,110
Intergovernmental Revenues:									
Federal Shared Revenues	-	-	-	-	-	-	22,166	22,166	252,608
State Shared Revenues	15,567	4,011,898	25,894	-	-	-	-	4,053,359	3,890,464
Federal Grants	-	-	-	-	-	-	12,596	12,596	38,583
Fines and Forfeitures	-	-	-	-	-	-	78,340	78,340	234,696
Charges for Sales and Services:									
Commissions	-	-	-	-	-	43,834	-	43,834	68,219
Concessions & Other Sales	-	-	-	-	-	556,205	-	556,205	571,109
Direct Show Revenue	-	-	-	-	-	61,048	-	61,048	51,668
Parking	-	-	-	-	-	3,760	-	3,760	-
Service Charge	-	-	-	-	-	290,073	-	290,073	302,272
Rental Revenue	-	-	-	-	-	1,814,879	-	1,814,879	1,605,409
Personnel Service Fees	-	-	-	-	-	271,865	-	271,865	251,701
Miscellaneous Revenues:									
Interest	10	3,856	130	2,414	215	1,404	2,285	10,314	9,578
Advertising Agency Fee	-	-	-	-	-	456,621	-	456,621	494,467
Donations	-	-	-	-	-	-	-	-	-
Other	-	4,959	-	-	-	68,483	103,946	177,388	145,371
TOTAL REVENUES	471,398	4,064,525	784,264	2,414	215	3,568,172	219,333	9,110,321	9,154,157

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2015	9/30/2014
EXPENDITURES									
Public Safety:									
Police Department:									
Personnel Services	\$ -	\$ -	\$ 534,316	\$ -	\$ -	\$ -	\$ -	\$ 534,316	\$ 536,798
Supplies	-	-	-	-	-	-	12,396	12,396	12,592
Other Services and Charges	-	-	-	-	-	-	142,737	142,737	157,734
Capital Outlay	-	-	-	-	-	-	19,093	19,093	8,545
Fire Department:									
Personnel Services	-	-	228,993	-	-	-	-	228,993	230,056
Total Public Safety	-	-	763,309	-	-	-	174,226	937,535	945,725
Culture and Recreation:									
Tupelo Coliseum:									
Personnel Services	-	-	-	-	-	1,441,396	-	1,441,396	1,353,073
Supplies	-	-	-	-	-	360,378	-	360,378	290,525
Other Services and Charges	-	-	-	-	-	1,946,273	-	1,946,273	1,986,125
Capital Outlay	-	-	-	-	-	194,705	-	194,705	324,145
Aquatics Facility:									
Other Services and Charges	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	3,942,752	-	3,942,752	3,953,868

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2015	9/30/2014
EXPENDITURES									
- Continued									
Other Functions:									
Community Services:									
Personnel Services	\$ -	\$ 773,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,805	\$ 751,351
Supplies	-	14,895	-	-	-	-	-	14,895	13,739
Other Services and Charges	448,980	1,525,022	-	-	9,283	-	-	1,983,285	2,169,557
Capital Outlay	-	68,895	-	-	-	-	-	68,895	9,684
Total Other Functions	448,980	2,382,617	-	-	9,283	-	-	2,840,880	2,944,331
TOTAL EXPENDITURES	448,980	2,382,617	763,309	-	9,283	3,942,752	174,226	7,721,167	7,843,924
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	22,418	1,681,908	20,955	2,414	(9,068)	(374,580)	45,107	1,389,154	1,310,233

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2015	9/30/2014
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ 1,615,120	\$ -	\$ 449,745	\$ -	\$ 2,064,865	\$ 2,177,581
Transfers Out	-	(1,228,000)	-	(1,722,090)	-	-	(40,756)	(2,990,846)	(2,809,814)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,228,000)	-	(106,970)	-	449,745	(40,756)	(925,981)	(632,233)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	22,418	453,908	20,955	(104,556)	(9,068)	75,165	4,351	463,173	678,000
FUND BALANCES - Beginning of Year	11,354	3,341,981	6,824	1,733,716	127,948	770,907	1,755,255	7,747,985	7,069,985
FUND BALANCES - End of Year	\$ 33,772	\$ 3,795,889	\$ 27,779	\$ 1,629,160	\$ 118,880	\$ 846,072	\$ 1,759,606	\$ 8,211,158	\$ 7,747,985

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2015
With Comparative Totals for September 30, 2014

	2007 General Obligation Construction Fund	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Totals	
					9/30/2015	9/30/2014
ASSETS						
Cash	\$ -	\$ 1,616,420	\$ 89,435	\$ 2,126,368	\$ 3,832,223	\$ 8,163,512
Receivables:						
General Property Taxes	-	-	-	168,625	168,625	40,616
Due from Other Governmental Entities	-	-	-	-	-	11,522
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,616,420</u>	<u>\$ 89,435</u>	<u>\$ 2,294,993</u>	<u>\$ 4,000,848</u>	<u>\$ 8,215,650</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 8,239	\$ 10,574	\$ 102,026	\$ 120,839	\$ 68,546
Total Liabilities	<u>-</u>	<u>8,239</u>	<u>10,574</u>	<u>102,026</u>	<u>120,839</u>	<u>68,546</u>
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	-	2,192,967	2,192,967	6,452,851
Public Safety Equipment	-	1,608,181	-	-	1,608,181	1,252,983
Committed to						
Fairpark Infrastructure	-	-	78,861	-	78,861	277,043
Construction Acquisition of Capital Assets	-	-	-	-	-	164,227
Total Fund Balances	<u>-</u>	<u>1,608,181</u>	<u>78,861</u>	<u>2,192,967</u>	<u>3,880,009</u>	<u>8,147,104</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 1,616,420</u>	<u>\$ 89,435</u>	<u>\$ 2,294,993</u>	<u>\$ 4,000,848</u>	<u>\$ 8,215,650</u>

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	2007 General Obligation Construction Fund	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Totals	
					9/30/2015	9/30/2014
REVENUES						
Taxes:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 4,513,258	\$ 4,513,258	\$ 4,428,575
Intergovernmental Revenues:						
Federal Shared Revenues	-	374,046	-	-	374,046	51,787
State Shared Revenues	-	84,825	-	154,130	238,955	151,157
Federal Grants	-	-	-	-	-	1,397,032
Miscellaneous Revenues:						
Interest	2,244	1,704	287	3,236	7,471	9,713
Donations	-	10,000	1,500	-	11,500	10,000
Other	-	-	41,374	-	41,374	1,971
TOTAL REVENUES	<u>2,244</u>	<u>470,575</u>	<u>43,161</u>	<u>4,670,624</u>	<u>5,186,604</u>	<u>6,050,235</u>
EXPENDITURES						
Personnel Services	-	-	-	89,828	89,828	89,438
Other Services and Charges	-	-	241,343	-	241,343	183,993
Capital Outlay:						
Capital Outlay	-	279,604	-	5,088,130	5,367,734	4,904,496
TOTAL EXPENDITURES	<u>-</u>	<u>279,604</u>	<u>241,343</u>	<u>5,177,958</u>	<u>5,698,905</u>	<u>5,177,927</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,244</u>	<u>190,971</u>	<u>(198,182)</u>	<u>(507,334)</u>	<u>(512,301)</u>	<u>872,308</u>

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014
-Continued-

	2007 General Obligation Construction Fund	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Totals	
					9/30/2015	9/30/2014
OTHER FINANCING SOURCES (USES)						
Transfers Out	\$ (3,754,794)	\$ -	\$ -	\$ -	\$ (3,754,794)	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,754,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,754,794)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(3,752,550)	190,971	(198,182)	(507,334)	(4,267,095)	872,308
FUND BALANCE Beginning of Year	<u>3,752,550</u>	<u>1,417,210</u>	<u>277,043</u>	<u>2,700,301</u>	<u>8,147,104</u>	<u>7,274,796</u>
FUND BALANCE End of Year	<u>\$ -</u>	<u>\$ 1,608,181</u>	<u>\$ 78,861</u>	<u>\$ 2,192,967</u>	<u>\$ 3,880,009</u>	<u>\$ 8,147,104</u>

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2015
With Comparative Totals for September 30, 2014

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	Totals	
							9/30/2015	9/30/2014
ASSETS								
Cash	\$ 1,275,295	\$ 43,652	\$ 235,112	\$ 66,646	\$ -	\$ 4,124	\$ 1,624,829	\$ 1,371,499
Investments	-	-	-	-	183,655	-	183,655	282,227
Receivables:								
General Property Taxes	117,173	822	-	-	-	-	117,995	23,174
Other	-	-	-	-	220,025	-	220,025	220,025
TOTAL ASSETS	\$ 1,392,468	\$ 44,474	\$ 235,112	\$ 66,646	\$ 403,680	\$ 4,124	\$ 2,146,504	\$ 1,896,925
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 6,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,790	\$ 6,650
Total Liabilities	6,790	-	-	-	-	-	6,790	6,650
Fund Balances:								
Restricted for Debt Service	1,385,678	44,474	235,112	66,646	403,680	4,124	2,139,714	1,890,275
Total Fund Balances	1,385,678	44,474	235,112	66,646	403,680	4,124	2,139,714	1,890,275
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,392,468	\$ 44,474	\$ 235,112	\$ 66,646	\$ 403,680	\$ 4,124	\$ 2,146,504	\$ 1,896,925

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	Totals	
							9/30/2015	9/30/2014
REVENUES								
Taxes:								
General Property Taxes	\$ 3,134,197	\$ 96,680	\$ 141,653	\$ -	\$ -	\$ -	\$ 3,372,530	\$ 2,814,207
Intergovernmental Revenues:								
State Shared Revenues	107,120	-	-	-	-	-	107,120	79,592
Miscellaneous Revenues:								
Interest	2,037	114	278	80	28	114	2,651	2,543
Other	254,982	-	-	-	-	-	254,982	256,509
TOTAL REVENUES	3,498,336	96,794	141,931	80	28	114	3,737,283	3,152,851
EXPENDITURES								
Debt Service:								
General Obligations:								
Bonds Redeemed	2,284,790	-	85,000	-	-	-	2,369,790	2,545,235
Interest	834,716	-	31,718	-	-	-	866,434	1,188,800
Paying Agent Fees	9,870	-	850	-	-	-	10,720	18,319
Special Assessment General Obligations:								
Bonds Redeemed	-	85,000	-	-	-	-	85,000	75,000
Interest	-	14,470	-	-	-	-	14,470	18,740
Paying Agent Fees	-	4,190	-	-	-	-	4,190	4,190
Certificates of Participation:								
Certificates Redeemed	-	-	-	705,000	-	-	705,000	675,000
Interest	-	-	-	264,100	-	-	264,100	291,098
Paying Agent Fees	-	-	-	3,245	-	-	3,245	3,583
Special Obligations:								
Bonds Redeemed	-	-	-	-	230,000	72,740	302,740	284,195
Interest	-	-	-	-	205,100	28,700	233,800	250,819
Paying Agent Fees	-	-	-	-	2,500	1,200	3,700	3,700
TOTAL EXPENDITURES	3,129,376	103,660	117,568	972,345	437,600	102,640	4,863,189	5,358,679

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

-Continued-

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	<u>Totals</u>	
							9/30/2015	9/30/2014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 368,960	\$ (6,866)	\$ 24,363	\$ (972,265)	\$ (437,572)	\$ (102,526)	\$ (1,125,906)	\$ (2,205,828)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	972,345	300,000	103,000	1,375,345	1,153,329
Transfer Out	-	-	-	-	-	-	-	(82,648)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	972,345	300,000	103,000	1,375,345	1,070,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	368,960	(6,866)	24,363	80	(137,572)	474	249,439	(1,135,147)
FUND BALANCES- Beginning of Year	1,016,718	51,340	210,749	66,566	541,252	3,650	1,890,275	3,025,422
FUND BALANCES- End of Year	\$ 1,385,678	\$ 44,474	\$ 235,112	\$ 66,646	\$ 403,680	\$ 4,124	\$ 2,139,714	\$ 1,890,275

GENERAL FUND

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

CITY OF TUPELO
GENERAL FUND
COMPARATIVE BALANCE SHEET
September 30, 2015 and 2014

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
ASSETS		
Cash	\$ 18,104,751	\$ 15,560,786
Receivables:		
General Property Taxes	234,592	57,463
Home Grant Receivable	465,000	465,000
Other	62,572	28,129
Due from Other Government Units	2,002,320	3,915,801
Due from Component Unit	837,733	928,783
Due from Other Funds	2,508,822	23,442
Prepaid Expenses	37,010	385,794
Inventories	<u>28,861</u>	<u>13,658</u>
TOTAL ASSETS	\$ <u>24,281,661</u>	\$ <u>21,378,856</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 379,720	\$ 1,096,822
Unearned Revenues	40,907	83,206
Due to Other Entities	1,178,874	875,325
Due to Other Funds	-	518,750
Accrued Expenses	<u>758,841</u>	<u>675,087</u>
Total Liabilities	<u>2,358,342</u>	<u>3,249,190</u>
Fund Balance:		
Nonspendable		
Prepaid Expenses	37,010	385,794
Inventory	28,861	13,658
Long-Term Receivables	1,259,918	1,351,009
Restricted for		
Water Reserve	547,875	547,218
Unassigned	<u>20,049,655</u>	<u>15,831,987</u>
Total Fund Balance	<u>21,923,319</u>	<u>18,129,666</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>24,281,661</u>	\$ <u>21,378,856</u>

**CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the Years Ended September 30, 2015 and 2014

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
REVENUES		
Taxes:		
General Property Taxes	\$ 5,793,012	\$ 6,235,275
Payments in Lieu of Taxes	1,185,896	1,237,815
Penalties and Interest on Delinquent Taxes	66,599	75,902
Total Taxes	7,045,507	7,548,992
Licenses and Permits:		
Privilege License	321,606	329,150
Building Permits	187,664	116,884
Other Permits	17,959	28,910
Franchise Fees	375,405	402,183
Total Licenses and Permits	902,634	877,127
Intergovernmental Revenues:		
Federal Grants	432,273	4,123,484
State Grants	17,227	17,228
Other Grants	73,678	16,362
State Shared Revenues	19,423,302	18,886,187
Municipality Shared Revenues	3,200,000	3,200,000
County Shared Revenues	1,108,660	1,080,716
Total Intergovernmental Revenues	24,255,140	27,323,977
Charges for Services:		
Public Safety	123,531	151,489
Highways and Streets	24,158	28,978
Crime Lab Fees	45,813	59,136
Culture and Recreation Fees	463,220	522,849
Total Charges for Services	656,722	762,452
Fines and Forfeitures:		
Police Fines and Fees	1,275,725	1,115,753
Parking Fines and Fees	13,390	18,235
Total Fines and Forfeitures	1,289,115	1,133,988

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended September 30, 2015 and 2014

-Continued-

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 52,835	\$ 75,367
Donations	58,830	8,367
Rents	79,782	66,220
Billings to Other Departments	220,162	207,776
Other	145,143	96,447
Total Miscellaneous Revenues	556,752	454,177
TOTAL REVENUES	34,705,870	38,100,713
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	226,644	219,901
Supplies	563	558
Other Services and Charges	198,635	176,058
Capital Outlay	2,305	-
Total Legislative Department	428,147	396,517
Executive Department:		
Personnel Services	572,242	590,457
Supplies	13,396	17,194
Other Services and Charges	305,890	268,652
Capital Outlay	986	6,345
Total Executive Department	892,514	882,648
City Court:		
Personnel Services	613,512	732,441
Supplies	16,495	19,704
Other Services and Charges	96,903	101,056
Total City Court	726,910	853,201

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended September 30, 2015 and 2014

-Continued-

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 654,045	\$ 680,420
Supplies	15,413	12,785
Other Services and Charges	319,925	298,126
Capital Outlay	74,177	42,981
Total Budget and Accounting Department	<u>1,063,560</u>	<u>1,034,312</u>
Personnel Department:		
Personnel Services	214,900	208,223
Supplies	3,801	4,383
Other Services and Charges	28,968	25,661
Total Personnel Department	<u>247,669</u>	<u>238,267</u>
Planning Department:		
Personnel Services	1,114,310	1,090,547
Supplies	41,156	40,221
Other Services and Charges	68,779	66,322
Capital Outlay	4,638	4,798
Total Community Development Department	<u>1,228,883</u>	<u>1,201,888</u>
Total General Government	<u>4,587,683</u>	<u>4,606,833</u>
Public Safety:		
Police Department:		
Personnel Services	7,161,954	6,921,665
Supplies	580,656	652,933
Other Services and Charges	1,628,816	1,647,447
Capital Outlay	276,267	141,960
Total Police Department	<u>9,647,693</u>	<u>9,364,005</u>
Fire Department:		
Personnel Services	5,162,896	5,127,961
Supplies	196,992	238,456
Other Services and Charges	307,742	289,582
Capital Outlay	3,273	12,773
Total Fire Department	<u>5,670,903</u>	<u>5,668,772</u>
Total Public Safety	<u>15,318,596</u>	<u>15,032,777</u>

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended September 30, 2015 and 2014

-Continued-

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,557,523	\$ 2,648,539
Supplies	311,988	401,561
Other Services and Charges	1,949,276	2,863,120
Capital Outlay	<u>3,867</u>	<u>6,345</u>
Total Public Works Department	<u>4,822,654</u>	<u>5,919,565</u>
Total Public Services	<u>4,822,654</u>	<u>5,919,565</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,526,124	1,519,920
Supplies	368,573	382,586
Other Services and Charges	842,839	993,709
Capital Outlay	<u>9,813</u>	<u>9,653</u>
Total Park and Recreation Department	<u>2,747,349</u>	<u>2,905,868</u>
Aquatic Center:		
Personnel Services	351,827	278,620
Supplies	100,346	58,138
Other Services and Charges	297,905	227,428
Capital Outlay	<u>4,334</u>	<u>85,781</u>
Total Aquatic Center	<u>754,412</u>	<u>649,967</u>
Museum Department:		
Personnel Services	98,652	89,697
Supplies	8,206	5,625
Other Services and Charges	<u>28,662</u>	<u>38,028</u>
Total Museum Department	<u>135,520</u>	<u>133,350</u>
Total Culture and Recreation	<u>3,637,281</u>	<u>3,689,185</u>
Other Functions:		
Community Services:		
Other Services and Charges	<u>1,037,265</u>	<u>4,931,643</u>
Total Community Services	<u>1,037,265</u>	<u>4,931,643</u>

**CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the Years Ended September 30, 2015 and 2014

-Continued-

	F.Y.E. 9/30/15	F.Y.E. 9/30/14
EXPENDITURES-Continued		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	\$ 175,072	\$ 171,661
Interest	<u>82,873</u>	<u>86,669</u>
Total General Obligations	<u>257,945</u>	<u>258,330</u>
Total Debt Service	<u>257,945</u>	<u>258,330</u>
TOTAL EXPENDITURES	<u>29,661,424</u>	<u>34,438,333</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,044,446</u>	<u>3,662,380</u>
OTHER FINANCING SOURCES (USES):		
Transfer to City Capital Project Fund	(3,176,429)	(3,668,750)
Transfer to Coliseum Project Fund	(615,120)	(615,120)
Transfer from Aquatics Facility	-	14,562
Transfer from City Infrastructure Fund	2,500,000	-
Transfer from Convention and Visitors Bureau Fund	-	100,000
Transfer from Narcotics Fund	<u>40,756</u>	<u>62,110</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,250,793)</u>	<u>(4,107,198)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>3,793,653</u>	<u>(444,818)</u>
FUND BALANCE - Beginning of year	<u>18,129,666</u>	<u>18,574,484</u>
FUND BALANCE - End of year	<u>\$ 21,923,319</u>	<u>\$ 18,129,666</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific expenditure purposes.

Library Fund – This fund is used to account for the revenues that are legally restricted to support the municipal library.

Convention and Visitors Bureau Fund – This fund is used to account for the revenues that are legally restricted to the promotion of tourism.

Firemen and Policemen Retirement Fund – This fund is used to account for the revenues that are legally restricted to payment to the MS Public Employees Retirement System (PERS) to finance the retirement benefits of firemen and policemen employed prior to March 1, 1976, who are covered by the Municipal Firemen's and Policemen's Retirement System.

Coliseum Project Fund – This fund is used to account for the revenues that are restricted or assigned for use on the coliseum project.

Rental Rehabilitation Fund – This fund is used to account for the revenues that are legally restricted to housing rehabilitation projects.

Coliseum Operating Fund – This fund is used to account for the operating revenues and expenditures of the Tupelo Coliseum.

Narcotics Fund – This fund is used to account for the revenues that are legally restricted to the narcotics division.

CITY OF TUPELO
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 436,227	\$ 442,851	\$ 6,624	\$ 442,161
Intergovernmental:				
State Shared Revenues	12,753	15,567	2,814	13,964
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>10</u>	<u>10</u>	<u>60</u>
TOTAL REVENUES	<u>448,980</u>	<u>458,428</u>	<u>9,448</u>	<u>456,185</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	<u>448,980</u>	<u>448,980</u>	<u>-</u>	<u>446,980</u>
Total Community Services	<u>448,980</u>	<u>448,980</u>	<u>-</u>	<u>446,980</u>
TOTAL EXPENDITURES	<u>448,980</u>	<u>448,980</u>	<u>-</u>	<u>446,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	9,448	9,448	9,205
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>11,354</u>	<u>11,354</u>	<u>-</u>	<u>1,433</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>11,354</u>	20,802	\$ <u>9,448</u>	10,638
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>12,970</u>		<u>716</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>33,772</u>		\$ <u>11,354</u>

CITY OF TUPELO
CONVENTION AND VISITOR'S BUREAU FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Taxes:				
Payments in Lieu of Taxes	\$ 50,000	\$ 43,812	\$ (6,188)	\$ 51,110
Intergovernmental:				
State Shared Revenues	3,838,333	4,001,652	163,319	3,812,861
Miscellaneous Revenues:				
Interest	3,500	3,856	356	3,439
Other	1,800	4,959	3,159	1,211
TOTAL REVENUES	3,893,633	4,054,279	160,646	3,868,621
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	805,242	773,805	31,437	751,351
Supplies	17,500	14,895	2,605	13,739
Other Services and Charges	2,040,435	1,525,022	515,413	1,670,767
Capital Expenditures	90,000	68,895	21,105	9,684
Total Community Services	2,953,177	2,382,617	570,560	2,445,541
Total Other Functions	2,953,177	2,382,617	570,560	2,445,541
TOTAL EXPENDITURES	2,953,177	2,382,617	570,560	2,445,541
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	940,456	1,671,662	731,206	1,423,080

CITY OF TUPELO
CONVENTION AND VISITOR'S BUREAU FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Totals for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES (USES):				
Transfers Out	\$ <u>(1,228,000)</u>	\$ <u>(1,228,000)</u>	\$ <u>-</u>	\$ <u>(1,201,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,228,000)</u>	<u>(1,228,000)</u>	<u>-</u>	<u>(1,201,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(287,544)	443,662	731,206	222,080
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>3,341,981</u>	<u>3,341,981</u>	<u>-</u>	<u>3,079,721</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>3,054,437</u>	3,785,643	\$ <u>731,206</u>	3,301,801
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>10,246</u>		<u>40,180</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>3,795,889</u>		\$ <u>3,341,981</u>

CITY OF TUPELO
FIREMEN & POLICEMEN RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 744,779	\$ 736,733	\$ (8,046)	\$ 742,703
Intergovernmental Revenues:				
State Shared Revenues	21,213	25,894	4,681	23,459
Miscellaneous Revenues:				
Interest Income	-	130	130	38
TOTAL REVENUES	<u>765,992</u>	<u>762,757</u>	<u>(3,235)</u>	<u>766,200</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>560,000</u>	<u>534,316</u>	<u>25,684</u>	<u>536,798</u>
Total Police Department	<u>560,000</u>	<u>534,316</u>	<u>25,684</u>	<u>536,798</u>
Fire Department:				
Personnel Services	<u>240,000</u>	<u>228,993</u>	<u>11,007</u>	<u>230,056</u>
Total Fire Department	<u>240,000</u>	<u>228,993</u>	<u>11,007</u>	<u>230,056</u>
Total Public Safety	<u>800,000</u>	<u>763,309</u>	<u>36,691</u>	<u>766,854</u>
TOTAL EXPENDITURES	<u>800,000</u>	<u>763,309</u>	<u>36,691</u>	<u>766,854</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,008)	(552)	33,456	(654)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>6,824</u>	<u>6,824</u>	-	<u>6,156</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(27,184)</u>	6,272	\$ <u>33,456</u>	5,502
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>21,507</u>		<u>1,322</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>27,779</u>		\$ <u>6,824</u>

CITY OF TUPELO
COLISEUM PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	<u>F.Y.E. 9/30/2015</u>			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ <u>3,000</u>	\$ <u>2,414</u>	\$ <u>(586)</u>	\$ <u>2,490</u>
TOTAL REVENUES	<u>3,000</u>	<u>2,414</u>	<u>(586)</u>	<u>2,490</u>
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tupelo Coliseum	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,000</u>	<u>2,414</u>	<u>(586)</u>	<u>2,490</u>

CITY OF TUPELO
COLISEUM PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Totals for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 1,615,120	\$ 1,615,120	\$ -	\$ 1,615,120
Transfers Out	<u>(1,999,930)</u>	<u>(1,722,090)</u>	<u>277,840</u>	<u>(1,532,142)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(384,810)</u>	<u>(106,970)</u>	<u>277,840</u>	<u>82,978</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(381,810)	(104,556)	277,254	85,468
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,733,716</u>	<u>1,733,716</u>	<u>-</u>	<u>1,648,248</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>1,351,906</u>	1,629,160	\$ <u>277,254</u>	1,733,716
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>1,629,160</u>		\$ <u>1,733,716</u>

CITY OF TUPELO
RENTAL REHABILITATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 215	\$ 215	\$ 235
TOTAL REVENUES	<u>-</u>	<u>215</u>	<u>215</u>	<u>235</u>
EXPENDITURES				
Other Services and Charges	<u>13,737</u>	<u>9,283</u>	<u>4,454</u>	<u>51,810</u>
TOTAL EXPENDITURES	<u>13,737</u>	<u>9,283</u>	<u>4,454</u>	<u>51,810</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,737)</u>	<u>(9,068)</u>	<u>4,669</u>	<u>(51,575)</u>
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(13,737)</u>	<u>(9,068)</u>	<u>4,669</u>	<u>(51,575)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>127,948</u>	<u>127,948</u>	<u>-</u>	<u>179,523</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>114,211</u></u>	118,880	\$ <u><u>4,669</u></u>	127,948
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>118,880</u></u>		\$ <u><u>127,948</u></u>

CITY OF TUPELO
COLISEUM OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

F.Y.E. 9/30/2015				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
REVENUES				
Charges for Sales & Services:				
Commissions	\$ 90,000	\$ 43,834	\$ (46,166)	\$ 68,219
Concessions & Other Sales	550,000	556,205	6,205	571,109
Direct Show Revenue	65,000	61,048	(3,952)	51,668
Parking	5,000	3,760	(1,240)	-
Service Charge	345,000	290,073	(54,927)	302,272
Rental Revenue	2,021,000	1,829,312	(191,688)	1,545,116
Personnel Service Fees	455,000	271,865	(183,135)	251,701
Miscellaneous Revenues:				
Advertising Agency Fee	550,000	456,621	(93,379)	494,467
Other	152,500	68,483	(84,017)	91,198
Interest	8,500	1,404	(7,096)	1,233
TOTAL REVENUES	4,242,000	3,582,605	(659,395)	3,376,983
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,756,580	1,441,396	315,184	1,353,073
Supplies	402,500	360,378	42,122	290,525
Other Services and Charges	2,508,750	1,946,273	562,477	1,986,125
Capital Outlay	200,000	194,705	5,295	324,145
Total Coliseum Operations	4,867,830	3,942,752	925,078	3,953,868
TOTAL EXPENDITURES	4,867,830	3,942,752	925,078	3,953,868
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(625,830)	(360,147)	265,683	(576,885)

CITY OF TUPELO
COLISEUM OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Totals for Year Ended September 30, 2014

-Continued-

F.Y.E. 9/30/2015				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	\$ 625,830	\$ 449,745	\$ (176,085)	\$ 562,461
TOTAL OTHER FINANCING SOURCES (USES)	625,830	449,745	(176,085)	562,461
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	89,598	89,598	(14,424)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	770,907	770,907	-	725,038
FUND BALANCE (DEFICIT) (NON-GAAP) BUDGETARY BASIS) -				
End of Year	\$ 770,907	860,505	\$ 89,598	710,614
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(14,433)		60,293
FUND BALANCE (DEFICIT) (GAAP BASIS)				
End of Year		\$ 846,072		\$ 770,907

CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Totals for Year Ended September 30, 2014

F.Y.E. 9/30/2015				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ -	\$ 22,166	\$ 22,166	\$ 252,608
Federal Grants	10,390	17,544	7,154	51,707
Fines and Forfeitures	100,000	78,340	(21,660)	234,696
Miscellaneous Revenues:				
Interest	1,000	2,285	1,285	2,083
Other	84,000	103,946	19,946	52,962
TOTAL REVENUES	<u>195,390</u>	<u>224,281</u>	<u>28,891</u>	<u>594,056</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	41,000	12,396	28,604	12,592
Other Services and Charges	322,465	142,737	179,728	157,734
Capital Outlay	72,000	19,093	52,907	8,545
Total Police Department	<u>435,465</u>	<u>174,226</u>	<u>261,239</u>	<u>178,871</u>
TOTAL EXPENDITURES	<u>435,465</u>	<u>174,226</u>	<u>261,239</u>	<u>178,871</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(240,075)	50,055	290,130	415,185
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(41,000)</u>	<u>(40,756)</u>	<u>244</u>	<u>(62,110)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(41,000)</u>	<u>(40,756)</u>	<u>244</u>	<u>(62,110)</u>

CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Totals for Year Ended September 30, 2014

-Continued-

F.Y.E. 9/30/2015				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (281,075)	\$ 9,299	\$ 290,374	\$ 353,075
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,755,255</u>	<u>1,755,255</u>	<u>-</u>	<u>1,415,304</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>1,474,180</u></u>	1,764,554	\$ <u><u>290,374</u></u>	1,768,379
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(4,948)</u>		<u>(13,124)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>1,759,606</u></u>		\$ <u><u>1,755,255</u></u>

CAPITAL PROJECTS FUND

Capital Projects are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

General Obligation Construction Funds – These funds are used to account for specific construction projects of the General Obligation debt proceeds.

City Capital Project Fund – This fund is used to account for general construction for the City of Tupelo that is not specifically accounted for in any other capital project fund.

Fairgrounds Construction Fund – This fund is used to account for the costs of constructing the Fairgrounds Redevelopment Project.

City Infrastructure Fund – This fund is used to account for projects approved in the City of Tupelo's 5 year capital plan. The funding for these projects will include G.O. Bonds, general fund money, and grants. This is a major fund.

Thoroughfare Fund Phase V – This fund is used to account for the cost of constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land for these purposes. A 10.00 mill special property tax will be levied for the next five years to finance this project.

CITY OF TUPELO
2007 GENERAL OBLIGATION CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/2015		Variance	F.Y.E.
	Budget	Actual	Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 2,244	\$ -	\$ 4,418
TOTAL REVENUES	<u>-</u>	<u>2,244</u>	<u>-</u>	<u>4,418</u>
EXPENDITURES				
Capital Outlay:				
Capital Outlay	<u>3,767,000</u>	<u>-</u>	<u>-</u>	<u>14,039</u>
TOTAL EXPENDITURES	<u>3,767,000</u>	<u>-</u>	<u>-</u>	<u>14,039</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,767,000)	2,244	-	(9,621)
OTHER FINANCING SOURCES (USES):				
Transfer to Other Funds	<u>(3,767,000)</u>	<u>(3,754,794)</u>	<u>12,206</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,767,000)</u>	<u>(3,754,794)</u>	<u>12,206</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(7,534,000)	(3,752,550)	12,206	(9,621)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>3,752,550</u>	<u>3,752,550</u>	<u>-</u>	<u>3,762,171</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(3,781,450)</u>	-	\$ <u>12,206</u>	3,752,550
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>-</u>		\$ <u>3,752,550</u>

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

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	\$ 51,787	\$ 374,046	\$ 322,259	\$ 51,787
State Shared Revenues	90,000	96,347	6,347	10,597
Miscellaneous Revenues:				
Interest	2,204	1,704	(500)	2,203
Donations	10,000	10,000	-	10,000
TOTAL REVENUES	<u>153,991</u>	<u>482,097</u>	<u>328,106</u>	<u>74,587</u>
EXPENDITURES				
Other Services and Charges	-	-	-	-
Capital Outlay:				
Capital Outlay	<u>2,908,327</u>	<u>279,604</u>	<u>2,628,723</u>	<u>629,684</u>
TOTAL EXPENDITURES	<u>2,908,327</u>	<u>279,604</u>	<u>2,628,723</u>	<u>629,684</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,754,336)	202,493	2,956,829	(555,097)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>1,417,201</u>	<u>1,417,210</u>	<u>9</u>	<u>1,971,382</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(1,337,135)</u>	1,619,703	\$ <u>2,956,838</u>	1,416,285
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(11,522)</u>		<u>925</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>1,608,181</u>		\$ <u>1,417,210</u>

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

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 287	\$ 287	\$ 442
Donations	-	1,500	1,500	-
Other	-	41,374	41,374	1,721
TOTAL REVENUES	-	43,161	43,161	2,163
EXPENDITURES				
Other Services and Charges	248,031	241,343	6,688	139,243
Capital Outlay:				
Capital Outlay	-	-	-	7,622
TOTAL EXPENDITURES	248,031	241,343	6,688	146,865
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(248,031)	(198,182)	49,849	(144,702)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	277,043	277,043	-	421,745
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 29,012	78,861	\$ 49,849	277,043
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ 78,861		\$ 277,043

CITY OF TUPELO
THOROUGHFARE FUND PHASE V
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 4,433,207	\$ 4,385,249	\$ (47,958)	\$ 4,421,085
Intergovernmental Revenues:				
State Shared Revenues	126,270	154,130	27,860	139,635
Federal Grants	-	-	-	1,617,446
Miscellaneous Revenues:				
Interest	-	3,236	3,236	2,650
Other	-	-	-	250
TOTAL REVENUES	<u>4,559,477</u>	<u>4,542,615</u>	<u>(16,862)</u>	<u>6,181,066</u>
EXPENDITURES				
Personnel Services	91,675	89,828	1,847	89,438
Capital Outlay:				
Capital Outlay	<u>7,187,802</u>	<u>5,088,130</u>	<u>2,099,672</u>	<u>4,297,901</u>
TOTAL EXPENDITURES	<u>7,279,477</u>	<u>5,177,958</u>	<u>2,101,519</u>	<u>4,387,339</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,720,000)</u>	<u>(635,343)</u>	<u>2,084,657</u>	<u>1,793,727</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>2,700,301</u>	<u>2,700,301</u>	<u>-</u>	<u>1,119,498</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(19,699)</u>	2,064,958	\$ <u>2,084,657</u>	2,913,225
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>128,009</u>		<u>(212,924)</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>2,192,967</u>		\$ <u>2,700,301</u>

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

City Bond and Interest Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of General City Bonds.

Water G. O. Bonds Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of G. O. Water Bonds. This is a major fund.

Special Assessments Bond and Interest Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of Special Assessments Bonds.

City Tax Increment Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of Tax Increment Bonds.

Certificate of Participation Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of Taxable Special Obligation Bonds.

Urban Renewal Bond Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of the Fairgrounds Special Obligation Bonds.

Mississippi Development Bank 2007 Issue Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of the Series 2007 Special Obligation Bonds.

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

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 3,081,079	\$ 3,040,198	\$ (40,881)	\$ 2,532,756
Intergovernmental Revenues:				
State Shared Revenues	87,759	107,120	19,361	79,592
Miscellaneous Revenues:				
Interest	-	2,037	2,037	2,032
Other	254,982	254,982	-	256,509
TOTAL REVENUES	3,423,820	3,404,337	(19,483)	2,870,889
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	2,930,000	2,284,790	645,210	2,465,235
Interest	1,001,595	834,716	166,879	1,152,942
Paying Agent Fees	25,000	9,870	15,130	17,469
Total Debt Service	3,956,595	3,129,376	827,219	3,635,646
TOTAL EXPENDITURES	3,956,595	3,129,376	827,219	3,635,646
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(532,775)	274,961	807,736	(764,757)
OTHER FINANCING SOURCES (USES):				
Transfers from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

CITY OF TUPELO
CITY BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (532,775)	\$ 274,961	\$ 807,736	\$ (764,757)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,016,718</u>	<u>1,016,718</u>	<u>-</u>	<u>1,785,420</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>483,943</u>	1,291,679	\$ <u>807,736</u>	1,020,663
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>93,999</u>		<u>(3,945)</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>1,385,678</u>		\$ <u>1,016,718</u>

CITY OF TUPELO
SPECIAL ASSESSMENTS BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 105,470	\$ 95,858	\$ (9,612)	\$ 143,743
Miscellaneous Revenues:				
Interest	-	114	114	81
TOTAL REVENUES	105,470	95,972	(9,498)	143,824
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	85,000	85,000	-	75,000
Interest	14,470	14,470	-	18,740
Paying Agent Fees	6,000	4,190	1,810	4,190
Total Debt Service	105,470	103,660	1,810	97,930
TOTAL EXPENDITURES	105,470	103,660	1,810	97,930
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(7,688)	(7,688)	45,894
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

CITY OF TUPELO
SPECIAL ASSESSMENTS BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ (7,688)	\$ (11,308)	\$ 45,894
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>51,340</u>	<u>51,340</u>	<u>-</u>	<u>5,446</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>51,340</u></u>	43,652	\$ <u><u>(11,308)</u></u>	51,340
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>822</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>44,474</u></u>		\$ <u><u>51,340</u></u>

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

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 118,718	\$ 141,653	\$ 22,935	\$ 141,653
Miscellaneous Revenues:				
Interest	-	278	278	242
TOTAL REVENUES	118,718	141,931	23,213	141,895
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	85,000	85,000	-	80,000
Interest	31,718	31,718	-	35,858
Paying Agent Fees	2,000	850	1,150	850
Total Debt Service	118,718	117,568	1,150	116,708
TOTAL EXPENDITURES	118,718	117,568	1,150	116,708
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	24,363	24,363	25,187
OTHER FINANCING SOURCES (USES):				
Transfer from TIF/SP Assessment Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

	F.Y.E. 9/30/2015		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2014 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND				
OTHER SOURCES (USES)	\$ -	\$ 24,363	\$ 24,363	\$ 25,187
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
Beginning of Year	<u>210,749</u>	<u>210,749</u>	<u>-</u>	<u>185,562</u>
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
End of Year	\$ <u><u>210,749</u></u>	235,112	\$ <u><u>24,363</u></u>	210,749
Adjustments to Generally Accepted				
Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>235,112</u></u>		\$ <u><u>210,749</u></u>

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

	F.Y.E. 9/30/2015			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2014 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 80	\$ 80	\$ 79
TOTAL REVENUES	-	80	80	79
EXPENDITURES				
Debt Service:				
Certificates Redeemed	705,000	705,000	-	675,000
Interest	264,100	264,100	-	291,098
Paying Agent Fees	5,000	3,245	1,755	3,583
Total Debt Service	974,100	972,345	1,755	969,681
TOTAL EXPENDITURES	974,100	972,345	1,755	969,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(974,100)	(972,265)	1,835	(969,602)
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project Fund	974,100	972,345	(1,755)	969,681
TOTAL OTHER FINANCING SOURCES (USES)	974,100	972,345	(1,755)	969,681

CITY OF TUPELO
CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (UNFAVORABLE)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 80	\$ 80	\$ 79
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>66,566</u>	<u>66,566</u>	<u>-</u>	<u>66,487</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>66,566</u></u>	66,646	\$ <u><u>80</u></u>	66,566
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>66,646</u></u>		\$ <u><u>66,566</u></u>

CITY OF TUPELO
URBAN RENEWAL BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	<u>F.Y.E. 9/30/2015</u>		<u>Variance</u>	<u>F.Y.E.</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	<u>9/30/2014</u>
			<u>(Unfavorable)</u>	<u>Actual</u>
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 28	\$ 28	\$ 48
Lease Income	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>28</u>	<u>28</u>	<u>48</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	230,000	230,000	-	215,000
Interest	205,100	205,100	-	219,006
Paying Agent Fees	2,500	2,500	-	2,500
Total Debt Service	<u>437,600</u>	<u>437,600</u>	<u>-</u>	<u>436,506</u>
TOTAL EXPENDITURES	<u>437,600</u>	<u>437,600</u>	<u>-</u>	<u>436,506</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(437,600)	(437,572)	28	(436,458)
OTHER FINANCING SOURCES				
(USES):				
Transfer from Coliseum Project Fund	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>

CITY OF TUPELO
URBAN RENEWAL BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (137,600)	\$ (137,572)	\$ 28	\$ (436,458)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>541,252</u>	<u>541,252</u>	<u>-</u>	<u>977,716</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>403,652</u></u>	403,680	\$ <u><u>28</u></u>	541,258
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>(6)</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>403,680</u></u>		\$ <u><u>541,252</u></u>

CITY OF TUPELO
MISSISSIPPI DEVELOPMENT BANK 2007 ISSUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	F.Y.E. 9/30/2015		Variance	F.Y.E.
	Budget	Actual	Favorable	9/30/2014
			(Unfavorable)	Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 114	\$ 114	\$ 67
TOTAL REVENUES	-	114	114	67
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	205,000	72,740	132,260	69,195
Interest	80,881	28,700	52,181	31,813
Paying Agent Fees	1,560	1,200	360	1,200
Total Debt Service	287,441	102,640	184,801	102,208
TOTAL EXPENDITURES	287,441	102,640	184,801	102,208
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(287,441)	(102,526)	184,915	(102,141)
OTHER FINANCING SOURCES				
(USES):				
Transfer from CVB Fund	287,441	103,000	(184,441)	101,000
TOTAL OTHER FINANCING				
SOURCES (USES)	287,441	103,000	(184,441)	101,000

CITY OF TUPELO
MISSISSIPPI DEVELOPMENT BANK 2007 ISSUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

-Continued-

	F.Y.E. 9/30/2015			F.Y.E. 9/30/2014 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 474	\$ 474	\$ (1,141)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>3,650</u>	<u>3,650</u>	<u>-</u>	<u>4,791</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>3,650</u>	4,124	\$ <u>474</u>	3,650
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>4,124</u>		\$ <u>3,650</u>

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as an agent for employees, other individuals, private organizations, other governments and/or other funds

Metro Vice Seized Fund – This fund is used to account for assets seized by the narcotics unit and held in escrow pending distribution to applicable parties.

City Court Restitution Fund – This fund is used to account for assets held for complainants as restitution to them.

Flexible Spending Fund – This fund is used to account for assets held for employees in accordance with provisions of Internal Revenue Code Section 125.

Self Insurance Fund – This fund is used to account for assets held to fund self insurance claims.

Arts Committee Fund – This fund is used to account for assets held by the Art Committee which evaluates and selects local works of art to be placed on display in City Hall.

**CITY OF TUPELO
AGENCY FUNDS
COMBINING BALANCE SHEET**

September 30, 2015

With Comparative Totals for September 30, 2014

						Totals	
	Metro Vice Seized Fund	City Court Restitution Fund	Flexible Spending Fund	Self Insurance Fund	Arts Committee Fund	9/30/15	9/30/14
ASSETS							
Cash	\$ 99,442	\$ 6,964	\$ 6,711	\$ 1,235,899	\$ 735	\$ 1,349,751	\$ 1,292,671
Investments	-	-	-	500	-	500	500
Due from Employees	-	-	2,111	-	-	2,111	-
Interest Receivable	-	-	-	-	-	-	653
TOTAL ASSETS	\$ 99,442	\$ 6,964	\$ 8,822	\$ 1,236,399	\$ 735	\$ 1,352,362	\$ 1,293,824
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 9,752	\$ -	\$ 9,752	\$ -
Due to Other Funds	-	-	8,822	-	-	8,822	21,172
Due to Complainants	-	6,964	-	-	-	6,964	6,964
Due to Arts Committee	-	-	-	-	735	735	734
Due to Employees	-	-	-	-	-	-	591
Due to Insured Employees	-	-	-	1,226,647	-	1,226,647	1,153,039
Seized Money Held	99,442	-	-	-	-	99,442	111,324
TOTAL LIABILITIES	\$ 99,442	\$ 6,964	\$ 8,822	\$ 1,236,399	\$ 735	\$ 1,352,362	\$ 1,293,824

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2015

	Balance September 30, 2014	Debits	Credits	Balance September 30, 2015
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 111,324	\$ 74,381	\$ 86,263	\$ 99,442
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 25,940	\$ 25,940	\$ -
Seized Money Held	111,324	171,476	159,594	99,442
Total Liabilities	\$ 111,324	\$ 197,416	\$ 185,534	\$ 99,442
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 17	\$ 17	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
FLEXIBLE SPENDING FUND				
<u>ASSETS</u>				
Cash	\$ 21,763	\$ 13,297	\$ 28,349	\$ 6,711
<u>LIABILITIES</u>				
Due to Other Funds	\$ 21,172	\$ 12,355	\$ 5	\$ 8,822
Due to Employees	591	28,349	25,647	(2,111)
Total Liabilities	\$ 21,763	\$ 40,704	\$ 25,652	\$ 6,711
TUPELO ARTS COMMITTEE				
<u>ASSETS</u>				
Cash	\$ 734	\$ 1	\$ -	\$ 735
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits - Arts Committee	734	-	1	735
Total Liabilities	\$ 734	\$ -	\$ 1	\$ 735

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2015
-Continued-

	Balance September 30, 2014	Debits	Credits	Balance September 30, 2015
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 1,151,886	\$ 215,087	\$ 131,074	\$ 1,235,899
Investments	500	-	-	500
Interest Receivable	653	-	653	-
Total Assets	<u>\$ 1,153,039</u>	<u>\$ 215,087</u>	<u>\$ 131,727</u>	<u>\$ 1,236,399</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 72,374	\$ 82,126	\$ 9,752
Due to Insured Employees	1,153,039	-	73,608	1,226,647
Total Liabilities	<u>\$ 1,153,039</u>	<u>\$ 72,374</u>	<u>\$ 155,734</u>	<u>\$ 1,236,399</u>
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 1,292,671	\$ 302,783	\$ 245,703	\$ 1,349,751
Investments	500	-	-	500
Receivables	653	-	653	-
Total Assets	<u>\$ 1,293,824</u>	<u>\$ 302,783</u>	<u>\$ 246,356</u>	<u>\$ 1,350,251</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 98,314	\$ 108,066	\$ 9,752
Due to Other Funds	21,172	12,355	5	8,822
Seized Money Held	111,324	171,476	159,594	99,442
Deposits - Arts Committee	734	-	1	735
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	1,153,039	-	73,608	1,226,647
Due to Employees	591	28,349	25,647	(2,111)
Total Liabilities	<u>\$ 1,293,824</u>	<u>\$ 310,494</u>	<u>\$ 366,921</u>	<u>\$ 1,350,251</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
September 30, 2015

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
GOVERNMENTAL FUNDS:					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	N/A	Var	\$ 14,005,545
Urban Renewal Bond Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>183,655</u>
	Total Investments - Debt Service Funds				<u>14,189,200</u>
	Total Investments - Governmental Funds				<u>14,189,200</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	N/A	N/A	<u>500</u>
	Total Investments - Agency Funds				<u>500</u>
	Total Investments - Fiduciary Funds				<u>500</u>
	Total Investments - All Funds				<u>\$ 14,189,700</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2015

	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2014	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2015	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
GENERAL OBLIGATION BONDS:								
General City Bonds								
General Obligation - Series 2012	5/1/12	11/1/32	\$ 5,760,000	\$ -	\$ -	\$ 5,760,000	\$ 120,000	\$ 119,963
General Obligation - Series 2013	4/10/13	9/30/33	5,880,000	-	(120,000)	5,760,000	120,000	139,026
General Obligation - Series 2013	9/1/13	9/30/28	2,840,000	-	(165,000)	2,675,000	170,000	73,300
General Obligation - Series 2011	12/1/11	12/1/30	3,795,000	-	(100,000)	3,695,000	100,000	87,264
General Obligation Refunding Bonds - Series A	6/21/11	7/1/19	3,880,000	-	(735,000)	3,145,000	755,000	78,950
General Obligation Refunding Bonds - Series B	6/21/11	7/1/23	4,570,000	-	(440,000)	4,130,000	455,000	150,019
Refunding General Obligation Bonds	7/1/01	9/1/16	750,000	-	(625,000)	125,000	125,000	5,625
General Obligation - Series 2007	2/1/07	2/1/21	5,790,000	-	(625,000)	5,165,000	650,000	181,500
General Obligation - Series 2015	7/28/15	7/1/29	-	4,000,000	-	4,000,000	100,000	98,512
Total General City Bonds			33,265,000	4,000,000	(2,810,000)	34,455,000	2,595,000	934,159
Water Bonds								
Series 2008 - Refunding Bonds	12/17/08	12/1/33	8,840,000	-	(265,000)	8,575,000	280,000	382,693
Total Water Bonds			8,840,000	-	(265,000)	8,575,000	280,000	382,693
Special Assessments General Obligation Bonds								
Series 1995	8/1/95	8/1/15	35,000	-	(35,000)	-	-	-
Series 1996	9/1/96	9/1/16	50,000	-	(25,000)	25,000	25,000	1,500
Series 2000	8/1/00	8/1/20	180,000	-	(25,000)	155,000	25,000	8,155
Total Special Assessments General Obligations Bonds			265,000	-	(85,000)	180,000	50,000	9,655
TOTAL GENERAL OBLIGATION BONDS			42,370,000	4,000,000	(3,160,000)	43,210,000	2,925,000	1,326,507
OTHER LONG-TERM DEBT:								
General City Notes Payable								
Capital Improvements Revolving Loan	8/24/09	2/1/33	1,397,956	-	(57,296)	1,340,660	59,940	39,437
Tupelo Airport Authority Capital Acquisition	6/22/11	7/1/25	1,250,721	-	(88,130)	1,162,591	90,772	34,878
Total General City Notes Payable			2,648,677	-	(145,426)	2,503,251	150,712	74,315

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2015

	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2014	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2015	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
OTHER LONG-TERM DEBT - Continued:								
Water and Sewer Notes Payable								
Drinking Water Loan	9/1/05	5/1/25	\$ 677,152	\$ -	\$ (51,950)	\$ 625,202	\$ 54,066	\$ 24,024
Drinking Water Loan	6/14/06	12/1/27	360,109	-	(24,055)	336,054	24,527	6,335
Capital Improvements Revolving Loan	11/19/04	6/1/26	4,277,925	-	(330,838)	3,947,087	336,675	66,382
Capital Improvements Revolving Loan	9/30/04	11/1/27	17,037,239	-	(1,160,832)	15,876,407	1,181,310	268,392
SRF - MDA Revolving Loan	In progress		108,309	2,710,634	-	2,818,943	-	-
SRF - Annexed Sewer Loan 2014	In progress		-	2,077,252	-	2,077,252	-	-
SRF - Chemical Addition	In progress		-	1,382,799	-	1,382,799	-	-
SRF - Annexed Water	In progress		-	1,031,236	-	1,031,236	-	-
Total Water and Sewer Notes Payable			22,460,734	7,201,921	(1,567,675)	28,094,980	1,596,578	365,133
Special Obligation Bonds								
Series 2007	7/25/07	7/1/22	1,915,000	-	(205,000)	1,710,000	210,000	71,656
Tupelo Convention Center 2007	6/6/07	7/1/22	6,490,000	-	(705,000)	5,785,000	730,000	235,900
Convention Center	10/1/05	1/1/26	3,875,000	-	(230,000)	3,645,000	245,000	191,634
Total Special Obligation Bonds			12,280,000	-	(1,140,000)	11,140,000	1,185,000	499,190
Mississippi Development Lease	9/21/00	7/1/25	313,372	-	(29,647)	283,725	29,647	3,547
Tax Increment Limited Obligation Bonds								
Series 1998	2/1/98	3/1/18	200,000	-	(45,000)	155,000	50,000	7,410
Series 2009	5/13/09	5/1/24	480,000	-	(40,000)	440,000	40,000	19,800
Total Tax Increment Limited Obligation Bonds			680,000	-	(85,000)	595,000	90,000	27,210
Northeast MS Regional Water Supply District								
State Revolving Loan	9/1/98	8/1/22	1,168,233	-	(147,046)	1,021,187	151,519	28,563
Tupelo Airport Authority								
Notes Payable	9/1/00	8/1/22	182,554	-	(17,970)	164,584	18,509	4,937
TOTAL OTHER LONG-TERM DEBT			37,084,893	7,201,921	(2,987,338)	41,299,476	3,071,253	928,580
TOTAL LONG-TERM DEBT			\$ 82,103,570	\$ 11,201,921	\$ (6,292,764)	\$ 87,012,727	\$ 6,146,965	\$ 2,329,402

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2015

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
Adjusted Assessed Valuation:			
Realty	\$ 319,662,781	\$ 13,100,290	
Personal	86,714,593	29,684,075	
Personal - Auto (From County)	<u>52,119,243</u>	<u>4,411,936</u>	
Total Municipal at 96.58 Mills	\$ <u>458,496,617</u>		\$ 44,281,603
Total School at 64.11 Mills		\$ <u>47,196,301</u>	3,025,755
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 453,396	
School Homestead Reimbursement		437,321	
Prior Year Tax Collections		212,712	
Penalties and Interest		66,599	
In-Lieu Taxes		1,185,895	
Heavy Duty Truck Tax		78,698	
Special Assessments		96,680	
Prior Year Tax Collections		<u>-</u>	2,531,301
Less:			
Cost of Collections		275,387	
School Homestead Loss		<u>816,136</u>	<u>1,091,523</u>
TOTAL TO BE ACCOUNTED FOR			\$ <u>48,747,136</u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2015
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 7,045,507	\$ 196,746	\$ 7,242,253
Special Assessments Fund	96,680	-	96,680
Tax Increment Bond Fund	141,653	-	141,653
City Bond & Interest Fund	3,134,197	79,592	3,213,789
Library Fund	455,821	13,964	469,785
Firemen & Policemen Retirement Fund	758,240	23,459	781,699
City Special Levy Street Improvements Fund	4,513,258	139,635	4,652,893
School Maintenance Fund	26,628,692	437,321	27,066,013
School Bond and Interest Fund	2,977,727	-	2,977,727
Tupelo/Lee County Vo-Tech	211,216	-	211,216
School Notes - Shortfall Note	<u>1,604,125</u>	<u>-</u>	<u>1,604,125</u>
Total Collections	<u>\$ 47,567,116</u>	<u>\$ 890,717</u>	48,457,833
Balance Represented By:			
Unpaid Property Taxes		\$ 289,278	
Unaccounted For (Over)		<u>25</u>	<u>289,303</u>
TOTAL ACCOUNTED FOR			<u>\$ 48,747,136</u>

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

NAME	POSITION	BOND	INSURANCE COMPANY
Jason Shelton	Mayor	\$ 100,000	Travelers Casualty & Surety Co. of America
Kim Hanna	City Clerk	50,000	Travelers Casualty & Surety Co. of America
Bart Aguirre	Chief of Police	50,000	Western Surety Company
City of Tupelo	Blanket Policy	50,000	Western Surety Company
City of Tupelo	Per Councilman	100,000	Travelers Casualty & Surety Co. of America

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Housing and Urban Development			
Passed through State Office of Federal-State Programs:			
Community Development Block Grant	1131-14-366-ED-01	14.228	\$ 8,000
Total U.S. Department of Housing and Urban Development			\$ 8,000
Environmental Protection Agency			
Passed through State Office of Federal-State Programs:			
Capitalization Grants for Clean Water State Revolving Loans* - ARRA	SRF-C280885-04	66.458	\$ 204,327
Capitalization Grants for Clean Water State Revolving Loans* - ARRA	SRF-C280885-05	66.458	539,150
Capitalization Grants for Drinking Water State Revolving Loans* - ARRA	DWI-L410015-03	66.468	1,112,642
Capitalization Grants for Drinking Water State Revolving Loans* - ARRA	DWI-L410015-04	66.468	282,472
Total Environmental Protection Agency			\$ 2,138,591
U. S. Department of Justice			
Passed through State Office of Federal-State Programs:			
Narcotics	11NM2322	16.579	\$ 12,596
Justice Assistance	2014-DJBX-0504	16.738	15,326
FBI - Terrorism Task Force	415-JN-A28367	16.300	8,673
US Marshall Service	JLEO	16.111	16,432
Bulletproof Vest Partnership Program		16.607	1,960
HIDTA Grant	G15GC0003A/G14GC0003A	16.Ukn	22,787
Federal Equitable Sharing Agreement	11-DEA-541721	16.000	22,166
Total U.S. Department of Justice			\$ 99,940

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
U. S. Department of Transportation			
Passed through State Office of Federal-State Programs:			
Mississippi Dept. of Transportation*	STP-0430-00(18)	20.205	\$ 301,286
Mississippi Dept. of Transportation*	STP-0430-00(16)	20.205	1,214,605
Total U.S. Department of Transportation			\$ 1,515,891
Department of the Interior National Park Service			
Passed through State Office of Federal-State Programs:			
MS Department of History and Archives		15.904	\$ 14,818
Total Department of the Interior National Park Service			\$ 14,818
Appalachian Regional Commission			
Tennessee Valley Authority	MS-7763-C33	23.001	\$ 10,000
Tennessee Valley Authority	0005417	23.002	111,273
Total Appalachian Regional Commission			\$ 121,273
U. S. Department of Homeland Security			
Passed through State Office of Federal-State Programs:			
Homeland Security Grant	13LE366	97.039	\$ 77,008
Homeland Security Grant	13HS366T	97.039	50,000
Homeland Security Grant	S13HS366T	97.039	5,109
Homeland Security Grant	A13HS366T	97.039	7,893
Homeland Security Grant	14LE366	97.039	106,262
Total U. S. Department of Homeland Security			\$ 246,272
Federal Emergency Management Agency			
Assistance to Firefighters Grant*	EMW-2013-FO-02370	97.044	\$ 334,305
Total Federal Emergency Management Agency			\$ 334,305

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
U.S. Army Corps of Engineers			
Mississippi Environmental Infrastructure Grant* - ARRA	W807PM71217260	12.124	\$ <u>1,219,673</u>
Total U.S. Army Corps of Engineers			\$ <u><u>1,219,673</u></u>
Mississippi Emergency Management Agency			
Emergency Management Assistance	4175-DR-MS	97.036	\$ <u>106,005</u>
Total Mississippi Emergency Management Agency			\$ <u><u>106,005</u></u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ <u><u>5,804,768</u></u>

SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Tupelo, Mississippi and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

* - Major Program

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the year ended September 30, 2015

	<u>2015</u>	
City of Tupelo's proportion of net pension liability (%)	0.02454	%
City of Tupelo's proportionate share of net pension liability	\$ 37,934,001	
City of Tupelo's covered employee payroll	\$ 15,387,575	
City of Tupelo's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	246.52	%
Coliseum Project Fund's proportion of net pension liability (%)	0.01220	%
Coliseum Project Fund's proportionate share of net pension liability	\$ 1,885,879	
Coliseum Project Fund's covered employee payroll	\$ 753,435	
Coliseum Project Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	250.30	%
Water District's proportion of net pension liability (%)	0.00100	%
Water District's proportionate share of net pension liability	\$ 154,580	
Water District's covered employee payroll	\$ 57,200	
Water District's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	270.25	%
TAA's proportion of net pension liability (%)	0.00528	%
TAA's proportionate share of net pension liability	\$ 815,566	
TAA's covered employee payroll	\$ 314,616	
TAA's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	259.23	%
Water and Sewer Fund's proportion of net pension liability (%)	0.02120	%
Water and Sewer Fund's proportionate share of net pension liability	\$ 3,273,406	
Water and Sewer Fund's covered employee payroll	\$ 1,332,497	
Water and Sewer Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	245.66	%
Electric Fund's proportion of net pension liability (%)	0.03201	%
Electric Fund's proportionate share of net pension liability	\$ 3,580,761	
Electric Fund's covered employee payroll	\$ 1,903,784	
Electric Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	188.07	%
Plan fiduciary net position as a percentage of total pension liability	61.70	%

NOTE -- Amounts for the Electric Fund are at June 30, 2015.

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Contributions
For the year ended September 30, 2015 and 2014

	2015		2014
City of Tupelo			
Statutorily required contributions	\$ 2,423,543	\$	2,377,252
Contributions in relation to statutorily required contributions	\$ 2,423,543	\$	2,377,252
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 15,387,575	\$	15,093,663
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %
Coliseum Project Fund			
Statutorily required contributions	\$ 118,666	\$	122,403
Contributions in relation to statutorily required contributions	\$ 118,666	\$	122,403
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 753,435	\$	777,162
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %
Water District			
Statutorily required contributions	\$ 9,009	\$	8,916
Contributions in relation to statutorily required contributions	\$ 9,009	\$	8,916
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 57,200	\$	56,610
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %
Tupelo Airport Authority			
Statutorily required contributions	\$ 49,552	\$	54,201
Contributions in relation to statutorily required contributions	\$ 49,552	\$	54,201
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 314,616	\$	344,133
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %
Water and Sewer Fund			
Statutorily required contributions	\$ 209,868	\$	213,692
Contributions in relation to statutorily required contributions	\$ 209,868	\$	213,692
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 1,332,497	\$	1,356,775
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %
Electric Fund			
Statutorily required contributions	\$ 299,846	\$	308,077
Contributions in relation to statutorily required contributions	\$ 76,804	\$	308,077
Contribution deficiency (excess)	\$ -	\$	-
City of Tupelo's covered employee payroll	\$ 1,903,784	\$	1,956,044
Contributions as a percentage of covered employee payroll	15.75	%	15.75 %

NOTE -- Amounts for the Electric Fund are at June 30, 2015.

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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

Honorable Mayor and City Council
City of Tupelo, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tupelo, Mississippi as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Tupelo, Mississippi's basic financial statements, and have issued our report thereon dated March 21, 2016.

Internal Control Over Financial Reporting

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

Purpose of this Report

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

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

Franks, Franks, Jarrell & Wilemon, P.A.
March 21, 2016

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and City Council
City of Tupelo, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Tupelo, Mississippi's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Tupelo, Mississippi's major federal programs for the year ended September 30, 2015. The City of Tupelo, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Tupelo, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Tupelo, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Tupelo, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the City of Tupelo, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Tupelo, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tupelo, Mississippi's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Franks, Franks, Jarrell & Wilemon, P.A.
March 21, 2016

**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2015**

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified
Internal control over financial reporting:
 Material weakness identified? Yes X No
 Significant deficiency identified
 not considered to be a material weakness? Yes X None reported
Noncompliance material to financial statements
 noted? Yes X No

Federal Awards

Internal Control over major programs:
 Material weakness identified? Yes X No
 Significant deficiency identified
 not considered to be a material weakness? Yes X None reported
Type of auditors' report issued on compliance
 for major programs: Unmodified
Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? Yes X No

Identification of major program:

CFDA Number(s) Name of Federal Program or Cluster

<u>12.124</u>	<u>U.S. Army Corps of Engineers – MS Environmental Infrastructure</u>
<u>20.205</u>	<u>U.S. Department of Transportation – MS Dept. of Transportation</u>
<u>66.458</u>	<u>EPA – Capitalization Grants for Clean Water State Revolving Loan-ARRA</u>
<u>66.468</u>	<u>EPA – Capitalization Grants for Drinking Water State Revolving Loan-ARRA</u>
<u>97.044</u>	<u>FEMA – Assistance to Firefighters Grant</u>

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes X No

SECTION 2 – FINANCIAL STATEMENT FINDINGS:

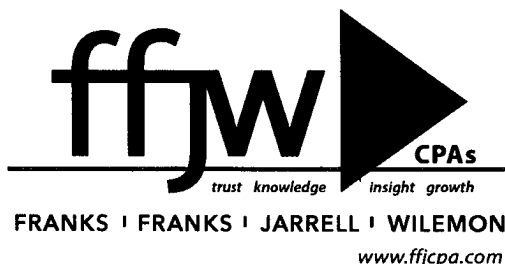
None

SECTION 3 – FEDERAL AWARD FINDINGS:

None

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Mayor and City Council
City of Tupelo, Mississippi

We have audited the financial statements of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2015, and have issued our report thereon dated March 21, 2016. 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 the *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 management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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

Franks, Franks, Jarrell, & Wilemon, P.A.
March 21, 2016