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CITY OF TUPELO, MISSISSIPPI

FINANCIAL STATEMENTS

September 30, 2017

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Prepared by:
Franks, Franks, Jarrell & Wilemon, PA
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, 2017, 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 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, 2016 and ending June 30, 2017.

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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The combining and individual fund financial statements, other supplemental information 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 26, 2018 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.
Tupelo, Mississippi
March 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF TUPELO, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2017

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, 2017. 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 $257,482,966. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by $251,920,945.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $49,665,701, a decrease of $1,409,212 in comparison to the prior year. Approximately 42% of the combined fund balances, $20,749,419 is considered unassigned and is available for spending at the City's discretion.

- The City's total debt is $95,904,069. Debt in the amount of $4,995,805 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of $7,034,921 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.

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

		Fund Statements	
	Government-wide 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.

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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 labilities and deferred inflows by $257,482,966 at the close of the most recent fiscal year. This is a $5,562,021 increase over last year's net position of $251,920,945. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2017 and 2016.

A large portion, 81.8% and 80.5%, 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, 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016
Current & Other Assets	$ 56,720,315	$ 56,660,197	$ 63,841,672	$ 32,088,800	$ 120,561,987	$ 88,748,997
Capital Assets	174,681,850	173,367,512	133,716,510	159,007,894	308,398,360	332,375,406
Total Assets	231,402,165	230,027,709	197,558,182	191,096,694	428,960,347	421,124,403
Total Deferred Outflows	2,437,558	7,397,820	1,437,485	1,790,451	3,875,043	9,188,271
Other Liabilities	9,269,576	9,394,906	14,526,965	14,952,204	23,796,541	24,347,110
Noncurrent Liabilities	98,125,311	105,217,793	49,861,961	46,937,272	147,987,272	152,155,065
Total Liabilities	107,394,887	114,612,699	64,388,926	61,889,476	171,783,813	176,502,175
Total Deferred Inflows	3,011,672	1,303,278	556,939	586,276	3,568,611	1,889,554
Net Position:						
Net Investment in Capital Assets	115,769,840	107,745,008	95,045,904	95,005,001	210,815,744	202,750,009
Restricted	25,002,065	24,076,994	35,567,784	33,288,372	60,569,849	57,365,366
Unrestricted (Deficit)	(17,338,741)	(10,312,450)	3,436,114	2,118,020	(13,902,627)	(8,194,430)
Total Net Position	$ 123,433,164	$ 121,509,552	$ 134,049,802	$ 130,411,393	$ 257,482,966	$ 251,920,945

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 $3,436,114. 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 11.3% of the City's total revenues come from property taxes, with 35.5% of all revenue coming from some type of tax. (See Table A-2.) This compares to 11.0% and 35.6% for the fiscal year ended September 30, 2017. Another 57.0% 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	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Revenues						
Program Revenues:						
Charges for Services	$ 5,657,423	$ 5,537,126	$ 75,949,865	$ 73,490,015	$ 81,607,288	$ 79,027,141
Operating Grants & Contributions	296,522	275,665	-	-	296,522	275,665
Capital Grants & Contributions	3,456,280	3,123,782	3,474,632	3,446,869	6,930,912	6,570,651
General Revenues:						
Property Taxes	16,120,059	15,099,340	-	-	16,120,059	15,099,340
Other Taxes	34,663,892	33,861,584	-	-	34,663,892	33,861,584
Investment Income	126,684	347,320	73,067	38,975	199,751	386,295
Other	3,216,581	2,169,196	149,664	259,088	3,366,245	2,428,284
Total Revenues	63,537,441	60,414,013	79,647,228	77,234,947	143,184,669	137,648,960
Expenses						
General Government	6,084,516	6,036,886	-	-	6,084,516	6,036,886
Public Safety	20,569,791	20,199,113	-	-	20,569,791	20,199,113
Public Works	10,862,482	9,528,988	-	-	10,862,482	9,528,988
Culture & Recreation	9,636,793	10,586,645	-	-	9,636,793	10,586,645
Other Functions	5,127,762	4,501,362	-	-	5,127,762	4,501,362
Capital Projects	3,580,600	2,941,294	-	-	3,580,600	2,941,294
Interest on Long-Term Debt	1,761,082	2,255,697	-	-	1,761,082	2,255,697
Water & Sewer	-	-	9,929,783	10,097,127	9,929,783	10,097,127
Electric	-	-	57,868,607	55,940,109	57,868,607	55,940,109
Solid Waste Management	-	-	3,215,485	3,197,215	3,215,485	3,197,215
N. MS Reg. Water Supp. Dist.	-	-	3,736,476	3,537,239	3,736,476	3,537,239
Total Expenses	57,623,026	56,049,985	74,750,351	72,771,690	132,373,377	128,821,675
Excess of Revenue Over Exp.	5,914,415	4,364,028	4,896,877	4,463,257	10,811,292	8,827,285
Transfers	(3,990,803)	(3,829,511)	(1,258,468)	(1,209,103)	(5,249,271)	(5,038,614)
Change in Net Position	1,923,612	534,517	3,638,409	3,254,154	5,562,021	3,788,671
Net Position—Beginning	121,509,552	120,975,035	130,411,393	127,157,239	251,920,945	248,132,274
Net Position—Ending	$123,433,164	$121,509,552	$134,049,802	$130,411,393	$257,482,966	$251,920,945

CITY OF TUPELO, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by $1,923,612, thereby accounting for 34.6% 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 44.7%, property taxes 25.4% and charges for services 8.9%.
>
> The largest expense categories for the City's governmental activities are public safety 35.7% and public works 18.9%.

Business-type Activities

Business-type activities increased the City's net position by $3,638,409 accounting for 65.4% 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 $12,338,392 for water and sewer, $56,979,369 for electric, $3,441,255 for solid waste management and $3,190,849 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 $20,749,419, which comprised 90.8% 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 71.8% of total fund expenditures. The fund balance of the City's general fund increased by $399,712 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of $14,242,863, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was $1,117,893.

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 $4,862,534.

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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 $7,714,619, 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 $134,049,802. Changes in net position, which totaled $3,638,409, were as follows: the electric fund decreased by $757,393, the water & sewer fund increased by $1,258,388, the solid waste management fund increased by $227,600 and Northeast Mississippi Regional Water Supply District increased by $2,909,814.

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 2016 – 2017 general fund budget increased by $626,097 and an overall operating budget increase of $4,653,050.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending $18,525,000 in capital projects from fiscal years 2019 – 2023. The sources of revenues include federal grants, G.O. bonds, and general fund revenues.

Capital Assets—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounted to $308,398,360, net of accumulated depreciation of $211,723,413. 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	
	2017	2016	2017	2016	2017	2016
Land	$ 12,456,088	$ 12,261,202	$ 1,767,958	$ 1,764,752	$ 14,224,046	$ 14,025,954
Infrastructure	139,740,699	127,832,578	-	-	139,740,699	127,832,578
Plant, Buildings, Improvements	101,953,102	90,746,074	197,253,050	190,643,146	299,206,152	281,389,220
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	25,732,260	24,296,995	16,435,765	15,644,315	42,168,025	39,941,310
Construction in Progress	6,776,122	20,722,561	11,109,919	11,250,457	17,886,041	31,973,018
Accumulated Depreciation	(111,976,421)	(104,424,973)	(99,746,992)	(94,619,069)	(211,723,413)	(199,044,042)
Total	$ 174,681,850	$171,434,437	$ 133,716,510	$131,580,411	$ 308,398,360	$ 303,014,848

Long-term Debt—At year-end, the City had $95,904,069 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

Table A-4

City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	$ 50,418,710	$ 54,532,081	$ 761,290	$ 917,919	$ 51,180,000	$ 55,450,000
Special Assessment Bonds	100,000	130,000	-	-	100,000	130,000
Special Obligation Bonds	-	-	-	-	-	-
Tax Increment Bonds	415,000	505,000	-	-	415,000	505,000
State Revolving Loans	-	-	713,540	869,667	713,540	869,667
Notes Payable	6,606,955	6,960,793	36,888,574	34,027,725	43,495,529	40,988,518
Total	$ 57,540,665	$ 62,127,874	$ 38,363,404	$ 35,815,311	$ 95,904,069	$ 97,943,185

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2018 are summarized as follows:

1. Sales tax revenues will remain flat.
2. Property tax revenue will remain flat.
3. Interest rates will increase slightly in February under new depository contract.

This contributed to the following projections:

1. Property tax revenue will remain flat.
2. Millage rates remained the same at 32.47 for the City's 2018 fiscal year budget. This includes 12.94 mills for the General Fund, 10 mills for the Thoroughfare Fund, .97 mills for the Library fund, 1.61 mills for the Fire and Police Retirement Fund, and 6.95 mills for the City Bond and Interest Fund.
3. Personnel cost will slightly increase in fiscal year 2018 due to a 1% cost-of-living raise which is partially offset by a decrease in the employer paid health insurance.

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.

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BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
ASSETS:				
Current Assets:				
Cash	$ 33,384,927	$ 14,257,891	$ 47,642,818	$ 490,385
Cash - Restricted	-	3,297,321	3,297,321	-
Investments	11,974,926	-	11,974,926	-
General Property Taxes Receivable	682,273	-	682,273	-
Other Receivables	609,775	317,617	927,392	-
Lease Receivable	210,000	-	210,000	-
Accounts Receivable, Net	1,715,140	6,246,472	7,961,612	82,007
Accounts Receivable - Restricted	-	265,652	265,652	-
Accrued Interest Receivable - Restricted	-	41,438	41,438	-
Unbilled Revenue	-	1,649,894	1,649,894	-
Due from Other Funds	2,452,569	27,469	2,480,038	-
Due from Other Governmental Units	2,788,907	-	2,788,907	50,408
Due from Other Governmental Units - Restricted	-	560,965	560,965	-
Due from Custodian	-	-	-	368,439
Due from Trustee - Restricted	-	5,905,702	5,905,702	-
Due from Component Units	627,229	-	627,229	-
Inventories	56,753	971,262	1,028,015	44,804
Prepaid Expenses	504,974	115,158	620,132	4,843
Other Current Assets	-	110,113	110,113	-
TOTAL CURRENT ASSETS	55,007,473	33,766,954	88,774,427	1,040,886
Noncurrent Assets:				
Cash - Restricted	-	29,617,269	29,617,269	-
Notes Receivable	102,842	385,513	488,355	-
Home Grant Receivable	465,000	-	465,000	-
Other Receivables	-	48,214	48,214	-
Lease Receivable	1,145,000	-	1,145,000	-
Intangible Asset - Goodwill	-	-	-	586,930
Other Assets	-	23,722	23,722	-
Capital Assets:				
Land	12,456,088	1,767,958	14,224,046	6,099,049
Plant, Buildings and Improvements	101,953,102	197,253,050	299,206,152	50,293,937
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	25,732,260	16,435,765	42,168,025	1,715,499
Infrastructure	139,740,699	-	139,740,699	-
Construction in Progress	6,776,122	11,109,919	17,886,041	51,700
Accumulated Depreciation	(111,976,421)	(99,746,992)	(211,723,413)	(26,045,807)
TOTAL NONCURRENT ASSETS	176,394,692	163,791,228	340,185,920	32,701,308
TOTAL ASSETS	231,402,165	197,558,182	428,960,347	33,742,194
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	2,437,558	1,437,485	3,875,043	103,764
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 2,437,558	$ 1,437,485	$ 3,875,043	$ 103,764

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2017
-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
LIABILITIES:				
Current Liabilities:				
Accounts Payable	$ 2,107,699	$ 5,994,613	$ 8,102,312	$ 263,975
Accrued Expenses	888,962	184,782	1,073,744	31,182
Accrued Interest Payable	471,430	8,428	479,858	-
Due to Other Funds	43,904	2,582,934	2,626,838	-
Due to Other Governmental Units and Entities	-	-	-	620,107
Unearned Revenues	923,604	-	923,604	6,775
Current Portion of Capital Lease	-	-	-	3,433
Long-Term Debt: Due Within One Year	4,813,672	2,477,111	7,290,783	131,817
Customer and Event Deposits	20,305	3,279,097	3,299,402	-
TOTAL CURRENT LIABILITIES	9,269,576	14,526,965	23,796,541	1,057,289
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	399,455	399,455	-
Accrued Compensated Absences	1,073,717	108,991	1,182,708	8,023
Due to Other Funds	-	3,709,583	3,709,583	-
Net Pension Liability	43,424,686	9,677,052	53,101,738	938,557
Long-Term Obligation under Capital Lease	-	-	-	570,308
Long-Term Debt: Due in More Than One Year	53,626,908	35,966,880	89,593,788	-
TOTAL NONCURRENT LIABILITIES	98,125,311	49,861,961	147,987,272	1,516,888
TOTAL LIABILITIES	107,394,887	64,388,926	171,783,813	2,574,177
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	3,011,672	556,939	3,568,611	20,498
TOTAL DEFERRED INFLOWS OF RESOURCES	3,011,672	556,939	3,568,611	20,498
NET POSITION				
Net Investment in Capital Assets	115,769,840	95,045,904	210,815,744	31,357,120
Restricted for:				
Capital Projects	3,723,633	32,232,499	35,956,132	-
Debt Service	14,242,863	3,335,285	17,578,148	-
Special Revenue	6,485,829	-	6,485,829	-
Water Reserve	549,740	-	549,740	-
Unrestricted (Deficit)	(17,338,741)	3,436,114	(13,902,627)	(105,837)
TOTAL NET POSITION	$ 123,433,164	$ 134,049,802	$ 257,482,966	$ 31,251,283
TOTAL LIABILITIES AND NET POSITION	$ 230,828,051	$ 198,438,728	$ 429,266,779	$ 33,825,460

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2017

FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES: Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Net (Expense) Revenue and Changes in Net Position: PRIMARY GOVERNMENT: Governmental Activities	Business-Type Activities	Total	COMPONENT UNIT: Tupelo Airport Authority
PRIMARY GOVERNMENT									
Government Activities:									
General Government	$ 6,084,516	$ 587,705	$ 18,796	$ -	$ 606,501	$ (5,478,015)	$ -	$ (5,478,015)	$ -
Public Safety	20,569,791	1,389,723	272,226	7,302	1,669,251	(18,900,540)	-	(18,900,540)	-
Public Works	10,862,482	-	5,500	-	5,500	(10,856,982)	-	(10,856,982)	-
Culture and Recreation	9,636,793	3,679,995	-	-	3,679,995	(5,956,798)	-	(5,956,798)	-
Other Functions	5,127,762	-	-	-	-	(5,127,762)	-	(5,127,762)	-
Capital Projects	3,580,600	-	-	3,448,978	3,448,978	(131,622)	-	(131,622)	-
Interest on Long-Term Debt	1,761,082	-	-	-	-	(1,761,082)	-	(1,761,082)	-
TOTAL GOVERNMENTAL ACTIVITIES	57,623,026	5,657,423	296,522	3,456,280	9,410,225	(48,212,801)	-	(48,212,801)	-
Business-Type Activities:									
Water and Sewer	9,929,783	12,338,392	-	51,785	12,390,177	-	2,460,394	2,460,394	-
Electric	57,868,607	56,979,369	-	-	56,979,369	-	(889,238)	(889,238)	-
Northeast MS Regional Water Supply Dist.	3,736,476	3,190,849	-	3,422,847	6,613,696	-	2,877,220	2,877,220	-
Solid Waste Management	3,215,485	3,441,255	-	-	3,441,255	-	225,770	225,770	-
TOTAL BUSINESS-TYPE ACTIVITIES	74,750,351	75,949,865	-	3,474,632	79,424,497	-	4,674,146	4,674,146	
TOTAL PRIMARY GOVERNMENT	$ 132,373,377	$ 81,607,288	$ 296,522	$ 6,930,912	$ 88,834,722	$ (48,212,801)	$ 4,674,146	$ (43,538,655)	$ -
COMPONENT UNITS									
Tupelo Airport Authority	$ 3,392,843	$ 1,884,598	$ -	$ 1,194,871	$ 3,079,469	$ -	$ -	$ -	$ (313,374)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						$ 6,340,899	$ -	$ 6,340,899	$ -
Property Taxes, Levied for Capital Outlay						4,900,309	-	4,900,309	-
Property Taxes, Levied for Special Revenue						1,264,410	-	1,264,410	-
Property Taxes, Levied for Debt Service						3,614,441	-	3,614,441	-
Sales Taxes						28,394,352	-	28,394,352	-
County Pro Rata Taxes						1,204,498	-	1,204,498	-
Franchise Taxes						383,168	-	383,168	-
In Lieu Taxes						4,423,386	-	4,423,386	-
Gasoline Taxes & Other Taxes						258,488	-	258,488	-
Homestead Reimbursement						531,323	-	531,323	-
Fire Protection Allocation						193,425	-	193,425	-
Investment Earnings						126,684	73,067	199,751	3,906
Gain (Loss) on Disposal of Assets						(494,490)	149,664	(344,826)	4,762
Miscellaneous						2,986,323	-	2,986,323	45,687
Transfers (to) from Component Units						(3,990,803)	(1,258,468)	(5,249,271)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						50,136,413	(1,035,737)	49,100,676	54,355
CHANGE IN NET POSITION						1,923,612	3,638,409	5,562,021	(259,019)
NET POSITION--BEGINNING						121,509,552	130,411,393	251,920,945	31,510,302
NET POSITION--ENDING						$ 123,433,164	$ 134,049,802	$ 257,482,966	$ 31,251,283

See accompanying notes to financial statements.

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CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Cash	$ 17,340,724	$ 1,663,968	$ 14,380,235	$ 33,384,927
Investments	-	-	11,974,926	11,974,926
General Property Taxes Receivable	293,140	-	389,133	682,273
Other Receivable	73,535	84,546	451,694	609,775
Home Grant Receivable	465,000	-	-	465,000
Notes Receivable	-	-	102,842	102,842
Due from Other Funds	2,408,827	-	43,742	2,452,569
Due from Other Government Units	2,432,347	-	356,560	2,788,907
Due from Component Units	627,229	-	-	627,229
Prepaid Expenses	462,153	-	42,821	504,974
Inventories	35,143	-	21,610	56,753
TOTAL ASSETS	$ 24,138,098	$ 1,748,514	$ 27,763,563	$ 53,650,175
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts Payable	$ 322,215	$ 1,061,589	$ 723,895	$ 2,107,699
Accrued Expenses	858,972	-	29,990	888,962
Due to Other Funds	43,904	-	-	43,904
Uneamed Revenues	67,322	3,011	853,271	923,604
Event Deposits	-	-	20,305	20,305
TOTAL LIABILITIES	1,292,413	1,064,600	1,627,461	3,984,474
FUND BALANCES:				
Nonspendable				
Prepaid Expenses	462,153	-	42,821	504,974
Inventory	35,143	-	21,610	56,753
Long-Term Receivables	1,049,230	-	-	1,049,230
Restricted for				
Library	-	-	73,784	73,784
Tourism Promotion	-	-	4,536,177	4,536,177
Public Safety Retirement	-	-	58,659	58,659
Law Enforcement	-	-	1,817,209	1,817,209
Construction Acquisition of Capital Assets	-	-	3,537,780	3,537,780
Public Safety Equipment	-	-	185,853	185,853
Debt Service	-	-	14,242,863	14,242,863
Water Reserve	549,740	-	-	549,740
Committed to				
Rental Rehabilitation	-	-	107,536	107,536
Fairpark Infrastructure	-	-	301,227	301,227
Construction Acquisition of Capital Assets	-	683,914	153,760	837,674
Assigned to				
Coliseum Projects	-	-	364,231	364,231
Coliseum Operations	-	-	692,592	692,592
Unassigned	20,749,419	-	-	20,749,419
TOTAL FUND BALANCES	22,845,685	683,914	26,136,102	49,665,701
TOTAL LIABILITIES AND FUND BALANCES	$ 24,138,098	$ 1,748,514	$ 27,763,563	$ 53,650,175

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, 2017

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 49,665,701
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.	174,681,850
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.	(58,012,095)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,073,717)
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.	1,355,000
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(43,424,686)
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	2,437,558
Deferred inflows of resources related to defined benefit pension plan	(3,011,672)
Accrual of court fine revenues to qualify as financial resources.	1,715,140
Premium on bonds issued are deferred and amortized on the statement of net position.	(899,915)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 123,433,164

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, 2017

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ 7,639,544	$ -	$ 9,779,336	$ 17,418,880
Licenses and Permits	970,873	-	-	970,873
Intergovernmental Revenues	25,996,808	3,338,893	8,080,884	37,416,585
Charges for Services	678,342	-	3,225,640	3,903,982
Fines and Forfeitures	1,057,980	-	107,162	1,165,142
Miscellaneous Revenues	660,160	1,206,391	1,489,324	3,355,875
TOTAL REVENUES	37,003,707	4,545,284	22,682,346	64,231,337
EXPENDITURES:				
Current:				
General Government	5,058,482	-	-	5,058,482
Public Safety	16,296,310	-	998,735	17,295,045
Public Works	4,939,202	-	-	4,939,202
Culture and Recreation	3,904,986	-	4,984,588	8,889,574
Other Functions	1,027,117	-	3,399,951	4,427,068
Capital Projects	-	10,996,374	3,505,500	14,501,874
Debt Service	598,108	-	5,940,393	6,538,501
TOTAL EXPENDITURES	31,824,205	10,996,374	18,829,167	61,649,746
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	5,179,502	(6,451,090)	3,853,179	2,581,591
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(4,803,453)	-	(5,556,501)	(10,359,954)
Transfers from Other Funds	23,663	3,913,333	6,422,958	10,359,954
Transfers to Component Units	-	-	(4,328,799)	(4,328,799)
Transfers from Component Units	-	-	337,996	337,996
TOTAL OTHER FINANCING SOURCES (USES)	(4,779,790)	3,913,333	(3,124,346)	(3,990,803)
NET CHANGE IN FUND BALANCES	399,712	(2,537,757)	728,833	(1,409,212)
FUND BALANCES - Beginning	22,445,973	3,221,671	25,407,269	51,074,913
FUND BALANCES - Ending	$ 22,845,685	$ 683,914	$ 26,136,102	$ 49,665,701

See accompanying notes to financial statements.

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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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(1,409,212)
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.		12,336,352
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.		(8,594,449)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.		594
Proceeds for lease of building to nonprofit organization reported as lease income on the governmental funds financial statements.		(200,000)
The amortization of the discount and premium are reported as a reduction to expense on the statement of activities.		102,619
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.		(494,490)
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.		(4,360,172)
The change in accrued interest payable is reported as an expense on the statement of activities.		87,591
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		4,587,209
Increase in accrual of compensated absences.		(132,430)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,923,612

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, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Taxes	$ 7,409,059	$ 7,409,059	$ 7,627,312	$ 218,253
Licenses and Permits	950,000	950,000	1,090,989	140,989
Intergovernmental Revenues	24,955,496	25,526,223	25,305,450	(220,773)
Charges for Services	660,000	660,000	678,342	18,342
Fines and Forfeitures	1,120,000	1,120,000	1,057,980	(62,020)
Miscellaneous Revenues	475,700	511,812	642,735	130,923
TOTAL REVENUES	35,570,255	36,177,094	36,402,808	225,714
EXPENDITURES:				
Current:				
General Government	5,319,292	5,334,777	5,058,482	276,295
Public Safety	16,186,493	16,694,505	16,296,310	398,195
Public Works	5,416,516	5,441,516	4,939,202	502,314
Culture and Recreation	4,025,893	4,077,993	3,904,986	173,007
Other Functions	1,020,228	1,045,728	1,027,117	18,611
Debt Service	598,791	598,791	598,108	683
TOTAL EXPENDITURES	32,567,213	33,193,310	31,824,205	1,369,105
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,003,042	2,983,784	4,578,603	1,594,819
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	31,550	31,550	23,663	(7,887)
Transfers to Other Funds	(2,423,548)	(4,803,453)	(4,803,453)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,391,998)	(4,771,903)	(4,779,790)	(7,887)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	$ 611,044	$ (1,788,119)	$ (201,187)	$ 1,586,932

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, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	$ 3,355,841	$ 5,447,136	$ 3,453,893	$ (1,993,243)
Other Grants	-	-	35,000	35,000
Miscellaneous Revenues:				
Interest	-	-	4,357	4,357
Donations	-	115,785	110,085	(5,700)
Other	750,000	750,000	1,069,056	319,056
TOTAL REVENUES	4,105,841	6,312,921	4,672,391	(1,640,530)
EXPENDITURES:				
Bond Issue Costs	95,000	95,000	-	95,000
Other Services and Charges	2,486,529	3,055,500	2,780,133	275,367
Capital Outlay:				
Capital Outlay	12,579,114	14,921,799	8,216,241	6,705,558
TOTAL EXPENDITURES	15,160,643	18,072,299	10,996,374	7,075,925
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,054,802)	(11,759,378)	(6,323,983)	5,435,395
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	3,296,563	3,296,563	-	(3,296,563)
Transfers from Other Funds	1,522,000	3,023,266	3,913,333	890,067
TOTAL OTHER FINANCING SOURCES (USES)	4,818,563	6,319,829	3,913,333	(2,406,496)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	$ (6,236,239)	$ (5,439,549)	$ (2,410,650)	$ 3,028,899

See accompanying notes to financial statements.

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

	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	$ 10,091,726	$ 3,301,797	$ 296	$ 864,072	$ 14,257,891
Receivables, Net					
Accounts Receivable	6,246,472	-	-	-	6,246,472
Unbilled Revenue	1,410,609	239,285	-	-	1,649,894
Other Receivables	244,555	73,062	-	-	317,617
Due from Other Funds	-	-	-	27,469	27,469
Inventories	882,277	45,500	43,485	-	971,262
Prepaid Expenses	59,264	32,864	23,030	-	115,158
Other Current Assets	110,113	-	-	-	110,113
Current Amount of Restricted Assets	-	-	10,071,078	-	10,071,078
Total Current Assets	19,045,016	3,692,508	10,137,889	891,541	33,766,954
Restricted Assets					
Cash	-	-	32,914,590	-	32,914,590
Accounts Receivable	-	-	265,652	-	265,652
Intergovernmental Receivable	-	-	560,965	-	560,965
Due from Trustee	-	-	5,905,702	-	5,905,702
Interest Receivable	-	-	41,438	-	41,438
Total Restricted Assets	-	-	39,688,347	-	39,688,347
Current Amounts Above	-	-	(10,071,078)	-	(10,071,078)
Total Non-Current Restricted Assets	-	-	29,617,269	-	29,617,269
Capital Assets					
Plant and Equipment	53,972,525	121,164,092	38,008,336	543,862	213,688,815
Land and Land Rights	333,013	775,109	659,836	-	1,767,958
Sanitary and Sewer Lagoons		6,896,810	-	-	6,896,810
Construction in Progress	950,258	4,398,879	5,760,782	-	11,109,919
Total	55,255,796	133,234,890	44,428,954	543,862	233,463,502
Less: Accumulated Depreciation	29,050,155	48,479,877	21,822,479	394,481	99,746,992
Net Fixed Assets	$ 26,205,641	$ 84,755,013	$ 22,606,475	$ 149,381	$ 133,716,510

NOTE -- Amounts for the Electric Fund are at June 30, 2017.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2017
-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	$ -	$ 8,900	$ 14,822	$ -	$ 23,722
Receivable from Customers for Energy Conservation Loans	385,513	-	-	-	385,513
Receivable from CSA	48,214	-	-	-	48,214
Total Other Assets	433,727	8,900	14,822	-	457,449
Total Assets	45,684,384	88,456,421	62,376,455	1,040,922	197,558,182
DEFERRED OUTFLOWS OF RESOURCES	1,106,719	284,745	23,576	22,445	1,437,485
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted Current Assets:					
Accounts Payable	4,656,954	843,850	-	184,515	5,685,319
Customer and Other Deposits	2,625,300	653,797	-	-	3,279,097
Accrued Interest	-	8,065	-	363	8,428
Accrued Expenses	181,770	-	-	-	181,770
Due to Other Funds	21,684	2,400,000	-	-	2,421,684
Total Payable from Unrestricted Current Assets	7,485,708	3,905,712	-	184,878	11,576,298
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	161,250	-	161,250
Accounts Payable	-	-	82,679	-	82,679
Accrued Payroll and Payroll Taxes	-	-	3,012	-	3,012
Construction / Retainage Payable	-	-	226,615	-	226,615
Bonds, Notes, and Loans Payable	-	2,316,235	160,876	-	2,477,111
Total Payable from Restricted Current Assets	-	2,316,235	634,432	-	2,950,667
Total Current Liabilities	$ 7,485,708	$ 6,221,947	$ 634,432	$ 184,878	$ 14,526,965

NOTE -- Amounts for the Electric Fund are at June 30, 2017.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2017
-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	$ 5,446,490	$ 3,662,767	$ 166,232	$ 401,563	$ 9,677,052
Accrued Compensated Absences	57,488	51,503	-	-	108,991
Due to City of Tupelo Water G. O. Bond Fund	-	-	3,709,583	-	3,709,583
Advances from TVA	399,455	-	-	-	399,455
Bonds, Notes, and Loans Payable	-	35,414,216	552,664	-	35,966,880
Total Long-Term Liabilities	5,903,433	39,128,486	4,428,479	401,563	49,861,961
Total Liabilities	13,389,141	45,350,433	5,062,911	586,441	64,388,926
DEFERRED INFLOWS OF RESOURCES	150,540	332,904	21,383	52,112	556,939
Net Position					
Net Investment in Capital Assets	26,205,641	47,024,562	21,666,320	149,381	95,045,904
Restricted for:					
Capital Projects	-	-	30,197,630	-	30,197,630
Operations and Debt Service	-	-	3,335,285	-	3,335,285
Plant Expansion Project	-	-	2,034,869	-	2,034,869
Unrestricted (Deficit)	7,045,781	(3,966,733)	81,633	275,433	3,436,114
Total Net Position	$ 33,251,422	$ 43,057,829	$ 57,315,737	$ 424,814	$ 134,049,802

NOTE -- Amounts for the Electric Fund are at June 30, 2017.

See accompanying notes to financial statements.

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CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
For the year ended September 30, 2017

	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	$ 55,984,918	$ 12,133,190	$ 3,190,849	$ 3,116,255	$ 74,425,212
Rents	326,085	139,346	-	-	465,431
Other Revenues	668,366	65,856	-	325,000	1,059,222
Total Operating Revenues	56,979,369	12,338,392	3,190,849	3,441,255	75,949,865
OPERATING EXPENSES					
General and Administrative	1,593,301	664,917	193,664	-	2,451,882
Power Purchased	48,955,709	-	-	-	48,955,709
Transmission Mains	-	1,050,121	-	-	1,050,121
Water Operations	-	1,483,899	2,399,533	-	3,883,432
Sewer Operations	-	2,675,519	-	-	2,675,519
Electric Operations	637,977	-	-	-	637,977
Sanitation Operations	-	-	-	3,171,057	3,171,057
Customer Accounting and Collecting	601,642	779,805	-	-	1,381,447
Customer Service and Information	39,177	-	-	-	39,177
Maintenance and Repair	942,885	-	-	-	942,885
Sales Expense	39,884	-	-	-	39,884
Taxes and Equivalents	3,323,364	-	-	-	3,323,364
Amortization and Depreciation	1,734,668	2,694,022	1,119,324	29,525	5,577,539
Total Operating Expenses	57,868,607	9,348,283	3,712,521	3,200,582	74,129,993
Net Operating Income	(889,238)	2,990,109	(521,672)	240,673	1,819,872
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	32,667	5,976	32,594	1,830	73,067
Gain on Disposal of Fixed Assets	99,178	50,486	-	-	149,664
Bad Debts	-	(11,470)	-	(14,675)	(26,145)
Interest Expense	-	(570,030)	(23,955)	(228)	(594,213)
Bond Issuance Cost	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Non-operating Revenues (Expenses)	131,845	(525,038)	8,639	(13,073)	(397,627)
Income (Loss) before Operating Transfers	$ (757,393)	$ 2,465,071	$ (513,033)	$ 227,600	$ 1,422,245

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2017.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
For the year ended September 30, 2017
-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District District for Debt Service	$ -	$ (1,258,468)	$ -	$ -	$ (1,258,468)
Total Operating Transfers In (Out)	-	(1,258,468)	-	-	(1,258,468)
Increase (Decrease) in Net Assets Before Capital Contributions	(757,393)	1,206,603	(513,033)	227,600	163,777
Capital Grants and Contributions	-	51,785	3,422,847	-	3,474,632
Change in Net Position	(757,393)	1,258,388	2,909,814	227,600	3,638,409
TOTAL NET POSITION -					
Beginning of Year	34,008,815	41,799,441	54,405,923	197,214	130,411,393
TOTAL NET POSITION -					
End of Year	$ 33,251,422	$ 43,057,829	$ 57,315,737	$ 424,814	$ 134,049,802

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2017.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2017

	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	$ 57,364,689	$ 12,293,421	$ 3,238,966	$ 3,426,580	$ 76,323,656
Payments to Suppliers	(49,468,564)	(4,606,855)	(2,518,721)	(2,944,464)	(59,538,604)
Payments to Employees	(2,010,737)	(1,408,408)	(74,547)	(227,177)	(3,720,869)
Payments for Other Services and Charges	(4,173,338)	-	-	-	(4,173,338)
Other Receipts (Payments)	12,417	(56,588)	-	-	(44,171)
Net Cash Provided by (Used in) Operating Activities	1,724,467	6,221,570	645,698	254,939	8,846,674
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	-	-	-
Due To (From) Municipality	21,684	(82,894)	-	(23,854)	(85,064)
Transfers In (Out)	-	(1,258,468)	-	-	(1,258,468)
Net Cash Provided by (Used In) Noncapital Financing Activities	21,684	(1,341,362)	-	(23,854)	(1,343,532)
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	51,785	4,312,643	-	4,364,428
Proceeds from Bonds and Notes Payable	-	4,995,805	-	-	4,995,805
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(153,750)	-	(153,750)
Payments for Debt	-	(2,270,440)	(156,127)	(21,145)	(2,447,712)
Purchase of Capital Assets	(1,203,333)	(5,203,491)	(1,595,873)	(16,300)	(8,018,997)
Cost of Removal of Fixed Assets, Net of Salvage	(88,098)	-	-	-	(88,098)
Other Receipts	99,184	-	-	-	99,184
Conservation Advances from TVA	(105,254)	-	-	-	(105,254)
Interest Paid	-	(575,863)	(23,955)	(238)	(600,056)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(1,297,501)	(3,002,204)	2,382,938	(37,683)	(1,954,450)
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	110,737	-	-	-	110,737
(Increase) Decrease in Receivable from CSA	(3,173)	-	-	-	(3,173)
Interest and Dividends	32,667	5,976	13,198	1,830	53,671
Net Cash Provided by (Used In) Investing Activities	140,231	5,976	13,198	1,830	161,235
Net Increase (Decrease) In Cash and Cash Equivalents	588,881	1,883,980	3,041,834	195,232	5,709,927
Cash and Cash Equivalents--Beginning	9,502,845	1,417,817	29,873,052	668,840	41,462,554
Cash and Cash Equivalents--Ending	$ 10,091,726	$ 3,301,797	$ 32,914,886	$ 864,072	$ 47,172,481

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2017.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2017

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ (889,238)	$ 2,990,109	$ (521,672)	$ 240,673	$ 1,819,872
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	1,734,668	2,694,022	1,119,324	29,525	5,577,539
Net Pension Expense	616,423	357,396	6,904	15,685	996,408
Provision for Uncollectible Accounts	(28,554)	(11,470)	-	(14,675)	(54,699)
Decrease (Increase) in Assets:					
Accounts Receivable	126,286	-	48,117	-	174,403
Unbilled Revenue	250,450	(6,085)	-	-	244,365
Other Receivables	51,327	(27,416)	-	-	23,911
Inventory	20,905	2,714	6,264	-	29,883
Prepaid Expenses	(1,990)	2,760	3,224	-	3,994
Other Current Assets	(1,772)	(8,700)	(7,102)	-	(17,574)
Increase (Decrease) in Liabilities:					
Accounts Payable	(276,947)	273,328	(9,376)	(16,269)	(29,264)
Customer and Other Deposits	96,230	(50,648)	-	-	45,582
Accrued Expenses	26,679	5,560	15	-	32,254
Total Adjustments	2,613,705	3,231,461	1,167,370	14,266	7,026,802
Net Cash Provided by (Used in) Operating Activities	$ 1,724,467	$ 6,221,570	$ 645,698	$ 254,939	$ 8,846,674

NOTE – Amounts for the Electric Fund are for fiscal year ended June 30, 2017.

See accompanying notes to financial statements.

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CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2017

		Agency Funds
ASSETS		
Cash	$	1,314,186
Investments		500
TOTAL ASSETS	$	1,314,686
LIABILITIES		
Accounts Payable	$	56,457
Due to Other Funds		8,827
Due to Complainants		6,964
Due to Arts Committee		737
Due to Employees		4,355
Due to Insured Employees		1,096,223
Seized Money Held		141,123
TOTAL LIABILITIES	$	1,314,686

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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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.

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.

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 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.

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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. 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.	Enterprise Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Discretely Presented Component Unit	Description of Activities and Relationship to the City
Tupelo Airport Authority (Airport Authority)	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. The City appoints all members of the governing board and provides a material subsidy primarily for capital improvements.

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 apples to future periods (deferred outflows) or an acquisition of net position that apples 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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

Electric Plant Assets:	
Transmission Plant	33 - 36 years
Electric Distribution Plant	20 - 50 years
General Electric Plant	10 - 50 years
Airport Facilities:	
Equipment	2 - 15 years
Furniture and Fixtures	7 - 10 years
Runways/Taxiway and Lighting	7 - 25 years
City Assets:	
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.

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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:

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.

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, 2017, consist of allocations of general property ad valorem taxes of $788,959 and homestead exemption reimbursement of $26,345 derived from a 1.61 mill 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	$ 5,662,820
Assumed Rate of Return Used in Plan Evaluation	7.75%
Plan Evaluation Date	June 30, 2017
Plan Assets Available for Benefits as of June 30, 2017	$ 5,695,000

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.

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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.

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, 2017 is as follows:

	City	TPSD
Real Property	$ 348,360,608	$ 11,954,886
Personal Property - Other Than Motor Vehicles & Mobile Homes	90,178,531	28,515,567
Personal Property - Motor Vehicles & Mobile Homes	57,373,536	4,205,327
	$ 495,912,675	$ 44,675,780

The City levied a tax millage of 32.47 mills and 64.10 mills on the assessed valuation of the City and Tupelo Public School District property, respectively. The millage was allocated as follows:

	City	TPSD
General Fund	12.94	0.00
Library Fund	0.97	0.00
City Bond and Interest Fund	6.95	0.00
Firemen and Policemen Retirement Fund	1.61	0.00
City Thoroughfare Fund	10.00	0.00
School Bonds Payable	0.00	6.10
Short-Term Debt	0.00	3.00
School Maintenance Fund	0.00	55.00
	32.47	64.10

NOTE 4 - GENERAL PROPERTY TAXES – continued

Collections for the School Bonds Payable, School Maintenance Fund, and the Short-Term 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, 2017:

	Balance Oct. 1, 2016	Acquisitions	Capitalized Construction, Sales, or Retirements	Balance Sept. 30, 2017
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	$ 12,261,202	$ 443,971	$ (249,085)	$ 12,456,088
Construction in Progress	20,722,561	10,477,300	(24,423,739)	6,776,122
Total Capital Assets, not being Depreciated:	32,983,763	10,921,271	(24,672,824)	19,232,210
Capital Assets being Depreciated:				
Buildings and Improvements	90,746,074	232,154	10,974,874	101,953,102
Machinery and Equipment	24,296,995	1,182,927	252,338	25,732,260
Infrastructure	127,832,578	-	11,908,121	139,740,699
Total Capital Assets, being Depreciated	242,875,647	1,415,081	23,135,333	267,426,061
Less Accumulated Depreciation for:				
Buildings and Improvements	(21,643,233)	(2,300,801)	114,721	(23,829,313)
Machinery and Equipment	(17,289,253)	(1,670,082)	928,280	(18,031,055)
Infrastructure	(65,492,487)	(4,623,566)	-	(70,116,053)
Total Accumulated Depreciation	(104,424,973)	(8,594,449)	1,043,001	(111,976,421)
Total Governmental Activities Capital Assets, net	$ 171,434,437	$ 3,741,903	$ (494,490)	$ 174,681,850

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NOTE 5 - FIXED ASSETS – continued

	Balance Oct. 1, 2016	Acquisitions	Capitalized Construction, Sales, or Retirements	Balance Sept. 30, 2017
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	$ 1,764,752	$ 3,206	$ -	$ 1,767,958
Construction in Progress	11,250,457	5,641,069	(5,781,607)	11,109,919
Total Capital Assets, not being Depreciated:	13,015,209	5,644,275	(5,781,607)	12,877,877
Capital Assets being Depreciated:				
Buildings and Improvements	197,539,956	1,954,101	4,655,803	204,149,860
Machinery and Equipment	15,644,315	970,855	(179,405)	16,435,765
Total Capital Assets, being Depreciated	213,184,271	2,924,956	4,476,398	220,585,625
Less Accumulated Depreciation for:				
Buildings and Improvements	(81,748,204)	(5,055,587)	373,069	(86,430,722)
Machinery and Equipment	(12,870,865)	(521,952)	76,547	(13,316,270)
Total Accumulated Depreciation	(94,619,069)	(5,577,539)	449,616	(99,746,992)
Total Business-Type Activities Capital Assets, net	$ 131,580,411	$ 2,991,692	$ (855,593)	$ 133,716,510
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	$ 6,099,049	$ -	$ -	$ 6,099,049
Construction in Progress	1,560,550	1,022,249	(2,531,099)	51,700
Total Capital Assets, not being Depreciated:	7,659,599	1,022,249	(2,531,099)	6,150,749
Capital Assets being Depreciated:				
Buildings and Improvements	47,755,138	2,538,799	-	50,293,937
Machinery and Equipment	1,719,897	54,602	(59,000)	1,715,499
Total Capital Assets, being Depreciated	49,475,035	2,593,401	(59,000)	52,009,436
Less Accumulated Depreciation for:				
Buildings and Improvements	(23,238,998)	(1,329,003)	-	(24,568,001)
Machinery and Equipment	(1,464,763)	(52,704)	39,661	(1,477,806)
Total Accumulated Depreciation	(24,703,761)	(1,381,707)	39,661	(26,045,807)
Total Component Unit Capital Assets, net	$ 32,430,873	$ 2,233,943	$ (2,550,438)	$ 32,114,378
Total Capital Assets	$ 335,445,721	$ 8,967,538	$ (3,900,521)	$ 340,512,738

NOTE 5 - FIXED ASSETS – continued

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

Governmental Activities:		
General Government	$	1,039,815
Public Safety		933,093
Public Works		5,417,444
Culture and Recreation		1,204,097
Total Depreciation Expense - Governmental Activities	$	8,594,449
Business-Type Activities:		
Electric Department	$	1,734,668
Water and Sewer		2,694,022
Northeast Mississippi Regional Water Supply District		1,119,324
Solid Waste		29,525
Total Depreciation Expense - Business-Type Activities	$	5,577,539
Total Depreciation Expense - Discretely Presented Component Unit	$	1,381,707

NOTE 6 - LONG-TERM DEBT

BONDS PAYABLE

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.

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.

NOTES PAYABLE AND STATE REVOLVING LOANS

Fourteen different capital improvement revolving loans make up the September 30, 2017 notes payable balance and are included in both governmental activities and business-type activities. Eleven of the loans are in repayment status with a total outstanding balance of $35,312,728. The remaining in progress notes total $8,182,801.

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.

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NOTE 6 - LONG-TERM DEBT – continued

DEBT SERVICE REQUIREMENTS TO MATURITY

Annual debt service requirements to maturity are as follows:

	Governmental Activities					
Year Ending September 30,	General Obligation	Special Assessment General Obligation	Limited Obligations Tax Increment	Notes Payable	Interest	Total
2018	$ 4,263,065	$ 30,000	$ 100,000	$ 420,607	$ 1,718,956	$ 6,532,628
2019	4,631,613	35,000	45,000	431,524	1,586,387	6,729,524
2020	4,176,613	35,000	50,000	442,747	1,430,140	6,134,500
2021	4,321,935	-	50,000	454,286	1,286,422	6,112,643
2022	4,350,484	-	55,000	466,147	1,126,648	5,998,279
2023 - 2027	13,430,000	-	115,000	2,322,953	3,825,091	19,693,044
2028 - 2032	10,815,000	-	-	2,035,969	1,701,811	14,552,780
2033 - 2037	4,430,000	-	-	32,722	227,737	4,690,459
Total	$ 50,418,710	$ 100,000	$ 415,000	$ 6,606,955	$ 12,903,192	$ 70,443,857

	Business-Type Activities				
Year Ending September 30,	General Obligation	Notes Payable	State Revolving Loans	Interest	Total
2018	$ 141,935	$ 2,174,300	$ 160,876	$ 554,991	$ 3,032,102
2019	148,387	2,214,397	165,769	505,742	3,034,295
2020	148,387	2,255,265	170,812	453,896	3,028,360
2021	158,065	2,296,919	156,661	401,159	3,012,804
2022	164,516	2,339,376	59,422	347,272	2,910,586
2023 - 2027	-	11,663,358	-	1,039,742	12,703,100
2028 - 2032	-	3,470,661	-	359,244	3,829,905
2033 - 2037	-	2,291,497	-	70,992	2,362,489
Total	$ 761,290	$28,705,773	$ 713,540	$3,733,038	$33,913,641

NOTE 6 - LONG-TERM DEBT – continued

CHANGES IN LONG-TERM LIABILITIES

During the fiscal year, the following changes occurred in long-term debt:

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Governmental Activities:						
General Obligation	Debt Service	$54,532,081	$ -	$ 4,113,371	$50,418,710	$4,263,065
Special Assessment General Obligation	Debt Service	130,000	-	30,000	100,000	30,000
Limited Obligations Tax Increment	Debt Service	505,000	-	90,000	415,000	100,000
Special Obligation Bonds	Debt Service	-	-	-	-	-
Notes Payable	General	6,960,793	-	353,838	6,606,955	420,607
Premium		1,002,534	-	102,619	899,915	-
Total Governmental Activities		$63,130,408	$ -	$ 4,689,828	$58,440,580	$4,813,672

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
General Obligation	Water/Sewer	$ 917,919	$ -	$ 156,629	$ 761,290	$ 141,935
Special Obligation Bonds	Water/Sewer	-	-	-	-	-
Notes Payable	Water/Sewer	34,027,725	4,995,805	2,134,956	36,888,574	2,174,300
State Revolving Loan	NEMSRWSD	869,667	-	156,127	713,540	160,876
Premium		89,541	-	8,954	80,587	-
Total Business-Type Activities		$35,904,852	$ 4,995,805	$ 2,456,666	$38,443,991	$2,447,711

NOTE 6 - LONG-TERM DEBT – continued

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:

Year Ending September 30,	Principal	Interest	Total
2018	$ 161,250	$ 172,280	$ 333,530
2019	168,750	164,088	332,838
2020	178,333	157,209	335,542
2021	186,250	150,104	336,354
2022	195,833	142,654	338,487
2023 - 2027	1,135,834	581,240	1,717,074
2028 - 2032	1,453,333	302,192	1,755,525
2033 - 2035	391,250	21,229	412,479
	$ 3,870,833	$ 1,690,996	$ 5,561,829

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.

	2017
Due to MDA	$ 127,011
Less Current Portion	19,636
Long-Term Portion	$ 107,375

Scheduled maturities are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	$ 19,636	$ 3,810	$ 23,446
2019	20,224	3,222	23,446
2020	20,832	2,614	23,446
2021	21,456	1,990	23,446
2022	22,100	1,346	23,446
2023 - 2027	22,762	684	23,446
	$ 127,011	$ 13,665	$ 140,676

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The $30,093 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,		Amount
2018	$	(51,285)
2019		(24,398)
2020		(8,491)
2021		(38,571)
Total	$	(122,745)

For the year ended September 30, 2017, the Water District recognized pension expense of $16,147. At September 30, 2017, 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	$	2,388	$	1,213
Net Difference Between Projected and Actual Investment Earnings		15,108		19,887
Water District Pension Contributions Subsequent to the Measurement Date		2,385		-
Changes of Assumptions		3,695		283
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets		-		-
Total	$	23,576	$	21,383

The $2,385 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,		Amount
2018	$	791
2019		2,179
2020		49
2021		(3,211)
Total	$	(192)

For the year ended September 30, 2017, the Tupelo Airport Authority recognized pension expense of $74,162. At September 30, 2017, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	$ 337,996
Transfers to Water District reported as Water Sales by Water District	(1,258,468)
Transfer to Water District reported as Contributed Capital by Water District	(4,328,799)
Difference	$ (5,249,271)

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, 2017, 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.

	Category			Carrying	Market
Investment Type	1	2	3	Amount	Value
U. S. Government Securities Funds*		X		$ 11,975,426	$ 11,975,426
Total Investments				$ 11,975,426	$ 11,975,426

*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, 2017, 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, 2017, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2017, for the Electric Fund and has been reflected in these financial statements.

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NOTE 6 - LONG-TERM DEBT – continued

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 two construction projects. The loan balances increase when administrative fees (deferred charges to be amortized over the life of the loan) were charged and project costs were 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.

NOTE 7 - RENTALS UNDER OPERATING 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.

The following is a schedule by years of minimum future rental payments receivable on non cancellable operating leases as of September 30, 2017:

Year Ending September 30,		
2018	$	286,503
2019		286,747
2020		252,217
2021		253,140
2022		219,993
2023 - 2027		1,122,845
2028 - 2032		626,893
Total Minimum Future Rentals	$	3,048,338

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NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include $385,513 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, 2017 were:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 2,408,827	$ 43,904
Capital Projects Funds:		
Fairgrounds	43,742	-
Proprietary Funds:		
Electric Fund	162	27,469
Combined Water and Sewer Fund	-	2,400,000
Solid Waste Management Fund	27,469	-
Agency Funds:		
Flexible Spending Fund	-	8,827
Total	$ 2,480,200	$ 2,480,200

NOTE 10 - NONCURRENT ASSETS

The following receivables at September 30, 2017 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	$ 102,842
General Fund	
Home Grant Receivable	$ 465,000

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 2.0% 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 2.5% 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

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

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

Inactive Members or Beneficiaries Currently Receiving Benefits	102,260
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,682
Inactive Members Assumed Not to Receive Service Retirement Benefits	50,170
Active Members	152,382
Total	321,494

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

Inactive Members of Beneficiaries Currently Receiving Benefits	99,483
Inactive Members Assumed Eligible for a Benefit at Retirement Date	19,400
Inactive Members Assumed Not to Receive Service Retirement Benefits	123,235
Active Members	154,104
Total	396,222

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, 2017). Separate employer contributions and employer allocation percentages are required for each of these entities.

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

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

For the year ended September 30, 2017, the City of Tupelo's total payroll for all employees was $16,711,533. Total covered payroll was $16,142,216.

For the year ended September 30, 2017, the Coliseum Project Fund's total payroll for all employees was $1,205,354. Total covered payroll was $770,559.

For the year ended September 30, 2017, the Water District's total payroll for all employees was $60,311. Total covered payroll was also $60,311.

For the year ended September 30, 2017, the Tupelo Airport Authority's total payroll for all employees was $368,796. Total covered payroll was $343,048.

For the year ended September 30, 2017, the Water and Sewer Fund's total payroll for all employees was $1,413,968. Total covered payroll was $1,413,467.

For the year ended June 30, 2017, the Electric Fund's total payroll for all employees was $2,106,967. Total covered payroll was $2,074,070.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the City of Tupelo reported a liability of $41,829,447 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 $1,996,802 for its proportionate share. The Water District reported $166,232, the Tupelo Airport Authority reported $938,557, and the Water and Sewer Fund reported $3,662,767. The Electric Fund as of June 30, 2017 reported a liability of $5,446,490 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2017, and the total pension liability 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, 2017, the City of Tupelo's proportion was 0.25163 percent. At June 30, 2017, the proportionate share for the Coliseum Project Fund was 0.01201 percent. At June 30, 2017, the proportionate share for the Water District was 0.0010 percent. At June 30, 2017, the proportionate share for the Tupelo Airport Authority was 0.00565 percent. At June 30, 2017, the proportionate share for the Water and Sewer Fund was 0.02203 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2016, 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, 2016, the Electric Fund's proportion was 0.03049 percent.

For the year ended September 30, 2017, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of $4,217,108. At September 30, 2017, the City of Tupelo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 600,955	$ 305,217
Net Difference Between Projected and Actual Investment Earnings	-	537,059
City Pension Contributions Subsequent to the Measurement Date	688,901	-
Changes of Assumptions	929,710	71,277
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	118,482	1,935,624
Total	$ 2,338,048	$ 2,849,177

The $688,901 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2018	$ (164,923)
2019	(55,551)
2020	(171,563)
2021	(807,993)
Total	$ (1,200,030)

For the year ended September 30, 2017, the Coliseum Project Fund recognized pension expense of $158,749. At September 30, 2017, 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	$ 28,688	$ 14,570
Net Difference Between Projected and Actual Investment Earnings	-	25,637
Coliseum Pension Contributions Subsequent to the Measurement Date	30,093	-
Changes of Assumptions	44,381	3,403
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	18,793	170,997
Total	$ 121,955	$ 214,607

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The $30,093 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2018	$ (51,285)
2019	(24,398)
2020	(8,491)
2021	(38,571)
Total	$ (122,745)

For the year ended September 30, 2017, the Water District recognized pension expense of $16,147. At September 30, 2017, 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	$ 2,388	$ 1,213
Net Difference Between Projected and Actual Investment Earnings	15,108	19,887
Water District Pension Contributions Subsequent to the Measurement Date	2,385	-
Changes of Assumptions	3,695	283
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	-
Total	$ 23,576	$ 21,383

The $2,385 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2018	$ 791
2019	2,179
2020	49
2021	(3,211)
Total	$ (192)

For the year ended September 30, 2017, the Tupelo Airport Authority recognized pension expense of $74,162. At September 30, 2017, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 13,484	$ 6,848
Net Difference Between Projected and Actual Investment Earnings	-	12,050
TAA's Pension Contributions Subsequent to the Measurement Date	12,283	-
Changes of Assumptions	20,861	1,600
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	57,136	-
Total	$ 103,764	$ 20,498

The $12,283 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2018	$ 26,403
2019	44,282
2020	18,427
2021	(18,129)
Total	$ 70,983

For the year ended September 30, 2017, the Water and Sewer Fund recognized pension expense of $357,396. At September 30, 2017, 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	$ 52,622	$ 26,726
Net Difference Between Projected and Actual Investment Earnings	-	47,027
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	58,403	-
Changes of Assumptions	81,409	6,241
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	92,311	252,910
Total	$ 284,745	$ 332,904

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NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The $58,403 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,		Amount
2018	$	(27,873)
2019		(933)
2020		(7,005)
2021		(70,751)
Total	$	(106,562)

For the year ended June 30, 2017, the Electric Fund recognized pension expense of $616,423. At June 30, 2017, 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	$	368,973	$	-
Electric Fund Pension Contributions Subsequent to the Measurement Date		326,666		-
Changes of Assumptions		408,676		-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets		2,404		150,540
Total	$	1,106,719	$	150,540

The $326,666 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,		Amount
2018	$	211,060
2019		145,596
2020		165,260
2021		107,597
Total	$	629,513

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

Inflation	3.00%
Salary increases	3.75 -18.50%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Actuarial Assumptions - The Electric Fund pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for June 30, 2017 were based on the RP-2014 Healthy Annuitant Blue Collar Table projected Scale BB to 2022, with rates set forward one year for males with adjustments. Mortality rates for June 30, 2016 were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 and June 30, 2016, are summarized in the following table:

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

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

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, 2017 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%	$ 54,862,111
Current Discount Rate	7.75%	41,829,447
1% Increase	8.75%	31,009,502

	Discount Rate	Coliseum Project Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	$ 2,618,939
Current Discount Rate	7.75%	1,996,802
1% Increase	8.75%	1,480,293

	Discount Rate	Northeast MS Regional Water District's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	$ 218,027
Current Discount Rate	7.75%	166,232
1% Increase	8.75%	123,235

	Discount Rate	Tupelo Airport Authority's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	$ 1,230,980
Current Discount Rate	7.75%	938,557
1% Increase	8.75%	695,782

	Discount Rate	Water and Sewer Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	$ 4,803,964
Current Discount Rate	7.75%	3,662,767
1% Increase	8.75%	2,715,326

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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Discount Rate	Electric Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	$ 6,983,621
Current Discount Rate	7.75%	5,446,490
1% Increase	8.75%	4,171,169

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

Fund	Transfers to Other Funds	Transfers from Other Funds
General Fund	$ 4,803,453	$ 23,663
Special Revenue Funds:		
CVB Fund	1,117,662	-
Coliseum Project Fund	2,508,720	1,915,120
Coliseum Operating Fund	-	1,189,499
Narcotics Fund	23,663	-
Debt Service Funds:		
City Bond and Interest Fund	-	1,456,686
Urban Renewal Debt Service Fund	44,803	-
Capital Projects Funds:		
City Infrastructure Fund	-	3,913,333
Thoroughfare Phase V	1,861,653	
Thoroughfare Phase VI		1,861,653
Total	$ 10,359,954	$ 10,359,954

Fund	Transfers to Blended Component Unit	Transfers from Blended Component Unit
Debt Service Fund:		
Water G.O. Bond Fund	$ 4,328,799	$ 337,996
Enterprise Fund:		
Combined Water and Sewer Fund	1,258,468	-
Total	$ 5,587,267	$ 337,996

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	$ 337,996
Transfers to Water District reported as Water Sales by Water District	(1,258,468)
Transfer to Water District reported as Contributed Capital by Water District	(4,328,799)
Difference	$ (5,249,271)

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, 2017, 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.

	Category			Carrying	Market
Investment Type	1	2	3	Amount	Value
U. S. Government Securities Funds*		X		$ 11,975,426	$ 11,975,426
Total Investments				$ 11,975,426	$ 11,975,426

*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, 2017, 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, 2017, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2017, for the Electric Fund and has been reflected in these financial statements.

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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 $141,691 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 $9,370,556 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.

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, 2017 was $1,258,468.

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, 2017, was $5,905,702, 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

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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, 2017 (its year-end) of $7,144,610. This represented approximately 12.5% 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.

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).

NOTE 25 - BUDGET / GAAP RECONCILIATION – continued

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

	Governmental Fund Types	
	General Fund	City Infrastructure Fund
Budget (Cash Basis)	$ (201,187)	$ (2,410,650)
Increase (Decrease)		
Net adjustments for revenue accruals	600,899	(127,107)
GAAP Basis	$ 399,712	$ (2,537,757)

NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS

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

To Be Paid By	Description	Amount Authorized	Expended through September 30, 2017	Remaining Commitment at September 30, 2017
General City	Police Headquarters	$ 8,041,311	$ 7,997,178	$ 44,133
General City	Thomas Street Exchange	4,987,649	2,105,302	2,882,347
General City	Vietnam Project	887,284	762,463	124,821
General City	Ballard Park Baseball Fields	641,500	545,509	95,991
General City	Elevator Project	137,942	68,971	68,971
General City	HVAC System	102,275	97,161	5,114
		$ 14,797,961	$ 11,576,584	$ 3,221,337

NOTE 27 - 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, 2017, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2018	$ 210,000	$ 49,132	$ 259,132
2019	210,000	41,517	251,517
2020	220,000	33,903	253,903
2021	230,000	25,926	255,926
2022	240,000	17,586	257,586
2023	245,000	8,884	253,884
Total	$ 1,355,000	$ 176,948	$ 1,531,948

NOTE 28 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 26, 2018, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the three years ended September 30, 2017*

	2017	2016	2015
City of Tupelo's proportion of net pension liability (%)	0.25163 %	0.24688 %	0.24395 %
City of Tupelo's proportionate share of net pension liability	$ 41,829,447	$ 44,099,290	$ 37,934,001
City of Tupelo's covered employee payroll	$ 16,142,216	$ 16,119,683	$ 15,387,575
City of Tupelo's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	259.13 %	273.57 %	246.52 %
Coliseum Project Fund's proportion of net pension liability (%)	0.01201 %	0.01180 %	0.01220 %
Coliseum Project Fund's proportionate share of net pension liability	$ 1,996,802	$ 2,114,562	$ 1,885,789
Coliseum Project Fund's covered employee payroll	$ 770,559	$ 789,663	$ 753,435
Coliseum Project Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	259.14 %	267.78 %	250.30 %
Water District's proportion of net pension liability (%)	0.00100	0.00100 %	0.00100 %
Water District's proportionate share of net pension liability	$ 166,232	$ 178,624	$ 154,580
Water District's covered employee payroll	$ 60,311	$ 58,578	$ 57,200
Water District's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	275.62 %	304.94 %	270.25 %
TAA's proportion of net pension liability (%)	0.00565	0.00458 %	0.00528 %
TAA's proportionate share of net pension liability	$ 938,557	$ 818,460	$ 815,566
TAA's covered employee payroll	$ 343,048	$ 309,149	$ 314,616
TAA's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	273.59 %	264.75 %	259.23 %
Water and Sewer Fund's proportion of net pension liability (%)	0.02203	0.02119 %	0.02120 %
Water and Sewer Fund's proportionate share of net pension liability	$ 3,662,767	$ 3,784,849	$ 3,273,406
Water and Sewer Fund's covered employee payroll	$ 1,413,467	$ 1,385,638	$ 1,332,497
Water and Sewer Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	259.13 %	273.15 %	245.66 %
**Electric Fund's proportion of net pension liability (%)	0.03049	0.03047 %	0.03201 %
Electric Fund's proportionate share of net pension liability	$ 5,446,490	$ 4,560,118	$ 3,580,761
Electric Fund's covered employee payroll	$ 2,074,070	$ 1,967,778	$ 1,903,784
Electric Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	262.60 %	231.74 %	188.09 %
Plan fiduciary net position as a percentage of total pension liability	61.49 %	57.47 %	61.70 %

Schedule is intended to show information for 10 years. Additional years will be available as they become available.
* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2017.

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Contributions
For the four years ended September 30, 2017*

	2017	2016	2015	2014
City of Tupelo				
Statutorily required contributions	$ 2,542,399	$ 2,538,850	$ 2,423,543	$ 2,377,252
Contributions in relation to statutorily required contributions	$ 2,542,399	$ 2,538,850	$ 2,423,543	$ 2,377,252
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City of Tupelo's covered employee payroll	$ 16,142,216	$ 16,119,683	$ 15,387,575	$ 15,093,663
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %
Coliseum Project Fund				
Statutorily required contributions	$ 121,363	$ 124,372	$ 118,666	$ 122,403
Contributions in relation to statutorily required contributions	$ 121,363	$ 124,372	$ 118,666	$ 122,403
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Coliseum's covered employee payroll	$ 770,559	$ 789,663	$ 753,435	$ 777,162
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %
Water District				
Statutorily required contributions	$ 9,499	$ 9,226	$ 9,009	$ 8,947
Contributions in relation to statutorily required contributions	$ 9,499	$ 9,226	$ 9,009	$ 8,947
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Water District's covered employee payroll	$ 60,311	$ 58,578	$ 57,200	$ 56,610
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %
Tupelo Airport Authority				
Statutorily required contributions	$ 54,030	$ 48,691	$ 49,552	$ 54,201
Contributions in relation to statutorily required contributions	$ 54,030	$ 48,691	$ 49,552	$ 54,201
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Tupelo Airport Authority's covered employee payroll	$ 343,048	$ 309,149	$ 314,616	$ 344,133
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %
Water and Sewer Fund				
Statutorily required contributions	$ 222,621	$ 218,238	$ 209,868	$ 213,692
Contributions in relation to statutorily required contributions	$ 222,621	$ 218,238	$ 209,868	$ 213,692
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Water and Sewer Fund's covered employee payroll	$ 1,413,467	$ 1,385,638	$ 1,332,493	$ 1,356,775
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %
Electric Fund**				
Statutorily required contributions	$ 326,666	$ 309,925	$ 299,846	$ 308,146
Contributions in relation to statutorily required contributions	$ 326,666	$ 309,925	$ 299,846	$ 308,146
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Electric Department's covered employee payroll	$ 2,074,070	$ 1,967,778	$ 1,903,784	$ 1,956,483
Contributions as a percentage of covered employee payroll	15.75 %	15.75 %	15.75 %	15.75 %

Schedule is intended to show information for 10 years. Additional years will be available as they become available.
* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2017.

Changes of Assumptions

2017 The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives. The wage inflation assumption was reduced from 3.75% to 3.25%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

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

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

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

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes of Benefit Provisions

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

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

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
ASSETS:				
Cash	$ 7,920,037	$ 4,550,763	$ 1,909,435	$ 14,380,235
Investments	-	-	11,974,926	11,974,926
General Property Taxes Receivable	51,406	199,250	138,477	389,133
Other Receivable	231,669	-	220,025	451,694
Notes Receivable	102,842	-	-	102,842
Due from Other Funds	-	43,742	-	43,742
Due from Other Government Units	356,560	-	-	356,560
Inventories	21,610	-	-	21,610
Prepaid Expenses	42,821	-	-	42,821
TOTAL ASSETS	$ 8,726,945	$ 4,793,755	$ 14,242,863	$ 27,763,563
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 108,760	$ 615,135	$ -	$ 723,895
Accrued Expenses	29,990	-	-	29,990
Unearned Revenues	853,271	-	-	853,271
Event Deposits	20,305	-	-	20,305
TOTAL LIABILITIES	1,012,326	615,135	-	1,627,461
FUND BALANCES:				
Nonspendable				
Prepaid Expenses	42,821	-	-	42,821
Inventory	21,610	-	-	21,610
Restricted for				
Library	73,784	-	-	73,784
Tourism Promotion	4,536,177	-	-	4,536,177
Public Safety Retirement	58,659	-	-	58,659
Law Enforcement	1,817,209	-	-	1,817,209
Construction Acquisition of Capital Assets	-	3,537,780	-	3,537,780
Public Safety Equipment	-	185,853	-	185,853
Debt Service	-	-	14,242,863	14,242,863
Committed to				
Rental Rehabilitation	107,536	-	-	107,536
Fairpark Infrastructure	-	301,227	-	301,227
Construction Acquisition of Capital Assets	-	153,760	-	153,760
Assigned to				
Coliseum Projects	364,231	-	-	364,231
Coliseum Operations	692,592	-	-	692,592
TOTAL FUND BALANCES	7,714,619	4,178,620	14,242,863	26,136,102
TOTAL LIABILITIES AND FUND BALANCES	$ 8,726,945	$ 4,793,755	$ 14,242,863	$ 27,763,563

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CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	$ 1,264,586	$ 4,900,309	$ 3,614,441	$ 9,779,336
Intergovernmental Revenues	4,413,569	170,937	3,496,378	8,080,884
Fines and Forfeitures	107,162	-	-	107,162
Charges for Services	3,225,640	-	-	3,225,640
Miscellaneous Revenues	867,160	331,563	290,601	1,489,324
TOTAL REVENUES	9,878,117	5,402,809	7,401,420	22,682,346
EXPENDITURES:				
Current:				
Public Safety	998,735	-	-	998,735
Culture and Recreation	4,984,588	-	-	4,984,588
Other Functions	3,399,951	-	-	3,399,951
Capital Projects	-	3,505,500	-	3,505,500
Debt Service	-	-	5,940,393	5,940,393
TOTAL EXPENDITURES	9,383,274	3,505,500	5,940,393	18,829,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	494,843	1,897,309	1,461,027	3,853,179
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	3,104,619	1,861,653	1,456,686	6,422,958
Transfers to Other Funds	(3,650,045)	(1,861,653)	(44,803)	(5,556,501)
Transfer to Northeast MS Regional Water Supply District	-	-	(3,990,803)	(3,990,803)
TOTAL OTHER FINANCING SOURCES (USES)	(545,426)	-	(2,578,920)	(3,124,346)
NET CHANGE IN FUND BALANCES	(50,583)	1,897,309	(1,117,893)	728,833
FUND BALANCES - Beginning	7,765,202	2,281,311	15,360,756	25,407,269
FUND BALANCES - Ending	$ 7,714,619	$ 4,178,620	$ 14,242,863	$ 26,136,102

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2017
With Comparative Totals for September 30, 2016

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil-itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals 9/30/2017	Totals 9/30/2016
ASSETS									
Cash	$ 54,457	$ 4,220,730	$ 26,580	$ 364,231	$ 4,694	$ 1,430,503	$ 1,818,842	$ 7,920,037	$ 8,220,487
Receivables:									
Notes	-	-	-	-	102,842	-	-	102,842	113,075
Other	-	5,117	-	-	-	225,132	1,420	231,669	148,533
General Property Taxes	19,327	-	32,079	-	-	-	-	51,406	50,316
Due from Other Governmental Units	-	356,560	-	-	-	-	-	356,560	335,595
Inventories	-	-	-	-	-	21,610	-	21,610	22,785
Prepaid Expenses	-	-	-	-	-	42,821	-	42,821	39,827
TOTAL ASSETS	$ 73,784	$ 4,582,407	$ 58,659	$ 364,231	$ 107,536	$ 1,720,066	$ 1,820,262	$ 8,726,945	$ 8,930,618
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	$ -	$ 46,230	$ -	$ -	$ -	$ 59,477	$ 3,053	$ 108,760	$ 92,743
Accrued Expenses	-	-	-	-	-	29,990	-	29,990	31,740
Unearned Revenues	-	-	-	-	-	853,271	-	853,271	997,265
Event Deposits	-	-	-	-	-	20,305	-	20,305	43,668
Total Liabilities	-	46,230	-	-	-	963,043	3,053	1,012,326	1,165,416
Fund Balances:									
Nonspendable									
Prepaid Expenses						42,821		42,821	39,827
Inventory	-	-	-	-	-	21,610	-	21,610	22,785
Restricted for									
Library	73,784	-	-	-	-	-	-	73,784	50,497
Tourism Promotion	-	4,536,177	-	-	-	-	-	4,536,177	4,206,757
Public Safety Retirement	-	-	58,659	-	-	-	-	58,659	42,983
Law Enforcement	-	-	-	-	-	-	1,817,209	1,817,209	1,781,071
Committed to									
Rental Rehabilitation	-	-	-	-	107,536	-	-	107,536	118,179
Assigned to									
Coliseum Projects	-	-	-	364,231	-	-	-	364,231	955,138
Coliseum Operations	-	-	-	-	-	692,592	-	692,592	547,965
Total Fund Balances	73,784	4,536,177	58,659	364,231	107,536	757,023	1,817,209	7,714,619	7,765,202
TOTAL LIABILITIES AND FUND BALANCES	$ 73,784	$ 4,582,407	$ 58,659	$ 364,231	$ 107,536	$ 1,720,066	$ 1,820,262	$ 8,726,945	$ 8,930,618

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CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil-itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals 9/30/2017	Totals 9/30/2016
REVENUES									
Taxes:									
General Property Taxes	$ 475,451	$ -	$ 788,959	$ -	$ -	$ -	$ -	$ 1,264,410	$ 1,191,682
Payments in Lieu of Taxes	-	176	-	-	-	-	-	176	40,992
Intergovernmental Revenues:									
Federal Shared Revenues	-	-	-	-	-	-	10,578	10,578	586
State Shared Revenues	15,873	4,360,773	26,345	-	-	-	-	4,402,991	4,300,000
Fines and Forfeitures	-	-	-	-	-	-	107,162	107,162	104,989
Charges for Sales and Services:									
Commissions	-	-	-	-	-	47,369	-	47,369	45,549
Concessions & Other Sales	-	-	-	-	-	648,469	-	648,469	521,296
Direct Show Revenue	-	-	-	-	-	85,405	-	85,405	44,898
Parking	-	-	-	-	-	6,053	-	6,053	2,463
Service Charge	-	-	-	-	-	399,703	-	399,703	306,784
Rental Revenue	-	-	-	-	-	1,758,636	-	1,758,636	1,963,803
Personnel Service Fees	-	-	-	-	-	280,005	-	280,005	172,348
Miscellaneous Revenues:									
Interest	166	7,149	373	2,693	61	2,710	3,520	16,672	14,146
Advertising Agency Fee	-	-	-	-	-	483,849	-	483,849	443,671
Other	-	28	-	-	-	229,336	137,275	366,639	518,186
TOTAL REVENUES	491,490	4,368,126	815,677	2,693	61	3,941,535	258,535	9,878,117	9,671,393

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-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 9/30/2017	Totals 9/30/2016
EXPENDITURES									
Public Safety:									
Police Department:									
Personnel Services	$ -	$ -	$ 560,001	$ -	$ -	$ -	$ -	$ 560,001	$ 520,062
Supplies	-	-	-	-	-	-	14,857	14,857	11,052
Other Services and Charges	-	-	-	-	-	-	138,933	138,933	133,123
Capital Outlay	-	-	-	-	-	-	44,944	44,944	894
Fire Department:									
Personnel Services	-	-	240,000	-	-	-	-	240,000	222,883
Total Public Safety	-	-	800,001	-	-	-	198,734	998,735	888,014
Culture and Recreation:									
Tupelo Coliseum:									
Personnel Services	-	-	-	-	-	1,539,909	-	1,539,909	1,576,177
Supplies	-	-	-	-	-	369,340	-	369,340	393,791
Other Services and Charges	-	-	-	-	-	2,143,842	-	2,143,842	2,428,893
Capital Outlay	-	-	-	-	-	931,497	-	931,497	789,638
Total Culture and Recreation	-	-	-	-	-	4,984,588	-	4,984,588	5,188,499

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-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 9/30/2017	Totals 9/30/2016
EXPENDITURES - Continued									
Other Functions:									
Community Services:									
Personnel Services	$ -	$ 700,837	$ -	$ -	$ -	$ -	$ -	$ 700,837	$ 775,832
Supplies	-	11,818	-	-	-	-	-	11,818	14,226
Other Services and Charges	468,203	2,159,799	-	-	10,704	-	-	2,638,706	1,959,142
Capital Outlay	-	48,590	-	-	-	-	-	48,590	9,519
Total Other Functions	468,203	2,921,044	-	-	10,704	-	-	3,399,951	2,758,719
TOTAL EXPENDITURES	468,203	2,921,044	800,001	-	10,704	4,984,588	198,734	9,383,274	8,835,232
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	23,287	1,447,082	15,676	2,693	(10,643)	(1,043,053)	59,801	494,843	836,161

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CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-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 9/30/2017	Totals 9/30/2016
OTHER FINANCING SOURCES (USES)									
Transfers from Other Funds	$ -	$ -	$ -	$ 1,915,120	$ -	$ 1,189,499	$ -	$ 3,104,619	$ 2,638,345
Transfers to Other Funds	-	(1,117,662)	-	(2,508,720)	-	-	(23,663)	(3,650,045)	(3,920,462)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,117,662)	-	(593,600)	-	1,189,499	(23,663)	(545,426)	(1,282,117)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	23,287	329,420	15,676	(590,907)	(10,643)	146,446	36,138	(50,583)	(445,956)
FUND BALANCES - Beginning of Year	50,497	4,206,757	42,983	955,138	118,179	610,577	1,781,071	7,765,202	8,211,158
FUND BALANCES - End of Year	$ 73,784	$ 4,536,177	$ 58,659	$ 364,231	$ 107,536	$ 757,023	$ 1,817,209	$ 7,714,619	$ 7,765,202

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2017
With Comparative Totals for September 30, 2016

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Thoroughfare Fund Phase VI	Totals 9/30/2017	Totals 9/30/2016
ASSETS						
Cash	$ 339,613	$ 257,485	$ -	$ 3,953,665	$ 4,550,763	$ 2,175,709
Receivables:						
General Property Taxes	-	-	-	199,250	199,250	192,044
Due from Other Funds	-	43,742	-	-	43,742	-
TOTAL ASSETS	$ 339,613	$ 301,227	-	4,152,915	$ 4,793,755	$ 2,367,753
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ -	$ -	$ -	$ 615,135	$ 615,135	$ 59,956
Due to Other Funds	-	-	-	-	-	26,486
Total Liabilities	-	-	-	615,135	615,135	86,442
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	-	3,537,780	3,537,780	1,861,653
Public Safety Equipment	185,853	-	-	-	185,853	224,525
Committed to						
Fairpark Infrastructure	-	301,227	-	-	301,227	23,148
Construction Acquisition of Capital Assets	153,760	-	-	-	153,760	171,985
Total Fund Balances	339,613	301,227	-	3,537,780	4,178,620	2,281,311
TOTAL LIABILITIES AND FUND BALANCES	$ 339,613	$ 301,227	$ -	$ 4,152,915	$ 4,793,755	$ 2,367,753

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Thoroughfare Fund Phase VI	Totals 9/30/2017	Totals 9/30/2016
REVENUES						
Taxes:						
General Property Taxes	$ -	$ -	$ -	$ 4,900,309	$ 4,900,309	$ 4,549,476
Intergovernmental Revenues:						
Federal Shared Revenues	7,302	-	-	-	7,302	7,173
State Shared Revenues	-	-	-	163,635	163,635	223,602
Federal Grants	-	-	-	-	-	159,022
Miscellaneous Revenues:						
Interest	651	80	-	5,247	5,978	5,205
Donations	-	-	-	-	-	-
Other	-	286,047	-	39,538	325,585	38,000
TOTAL REVENUES	7,953	286,127	-	5,108,729	5,402,809	4,982,478
EXPENDITURES						
Personnel Services	-	-	-	94,311	94,311	94,591
Other Services and Charges	12,850	8,048	-	685,258	706,156	93,801
Capital Outlay:						
Capital Outlay	52,000	-	-	2,653,033	2,705,033	6,392,784
TOTAL EXPENDITURES	64,850	8,048	-	3,432,602	3,505,500	6,581,176
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(56,897)	278,079	-	1,676,127	1,897,309	(1,598,698)

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase V	Thoroughfare Fund Phase VI	Totals 9/30/2017	Totals 9/30/2016
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	$ -	$ -	$ -	$ 1,861,653	$ 1,861,653	$ -
Transfers to Other Funds	-	-	(1,861,653)	-	(1,861,653)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(1,861,653)	1,861,653	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(56,897)	278,079	(1,861,653)	3,537,780	1,897,309	(1,598,698)
FUND BALANCE Beginning of Year	396,510	23,148	1,861,653	-	2,281,311	3,880,009
FUND BALANCE End of Year	$ 339,613	$ 301,227	$ -	$ 3,537,780	$ 4,178,620	$ 2,281,311

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CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2017
With Comparative Totals for September 30, 2016

	City Bond and Interest Fund	Water G. O. Bonds 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 9/30/2017	Totals 9/30/2016
ASSETS									
Cash	$ 1,427,737	$ -	$ 74,192	$ 407,506	$ -	$ -	$ -	$ 1,909,435	$ 2,013,939
Investments	-	11,974,926	-	-	-	-	-	11,974,926	12,994,871
Receivables:									
General Property Taxes	138,477	-	-	-	-	-	-	138,477	133,921
Other	-	-	-	-	-	220,025	-	220,025	220,025
TOTAL ASSETS	$ 1,566,214	$ 11,974,926	$ 74,192	$ 407,506	$ -	$ 220,025	$ -	$ 14,242,863	$ 15,362,756
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	$ -	$	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000
Total Liabilities	-	-	-	-	-	-	-	-	2,000
Fund Balances:									
Restricted for Debt Service	1,566,214	11,974,926	74,192	407,506	-	220,025	-	14,242,863	15,360,756
Total Fund Balances	1,566,214	11,974,926	74,192	407,506	-	220,025	-	14,242,863	15,360,756
TOTAL LIABILITIES AND FUND BALANCES	$ 1,566,214	$ 11,974,926	$ 74,192	$ 407,506	$ -	$ 220,025	$ -	$ 14,242,863	$ 15,362,756

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016

	City Bond and Interest Fund	Water G. O. Bonds 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 9/30/2017	Totals 9/30/2016
REVENUES									
Taxes:									
General Property Taxes	$ 3,405,686	$ -	$ 37,993	$ 170,762	$ -	$ -	$ -	$ 3,614,441	$ 3,488,983
Intergovernmental Revenues:									
State Shared Revenues	113,726	3,382,652	-	-	-	-	-	3,496,378	3,562,431
Miscellaneous Revenues:									
Interest	2,207	31,042	168	697	-	103	-	34,217	5,298
Other	256,384	-	-	-	-	-	-	256,384	253,274
TOTAL REVENUES	3,778,003	3,413,694	38,161	171,459	-	103	-	7,401,420	7,309,986
EXPENDITURES									
Debt Service:									
General Obligations:									
Bonds Redeemed	3,818,371	295,000	-	90,000	-	-	-	4,203,371	16,446,590
Interest	1,291,120	366,880	-	22,560	-	-	-	1,680,560	1,294,888
Paying Agent Fees	8,643	6,335	-	1,849	-	-	-	16,827	22,295
Bond Issuance Costs	-	-	-	-	-	-	-	-	389,280
Special Assessment General Obligations:									
Bonds Redeemed	-	-	30,000	-	-	-	-	30,000	50,000
Interest	-	-	6,880	-	-	-	-	6,880	9,655
Paying Agent Fees	-	-	2,690	-	-	-	-	2,690	2,690
Certificates of Participation:									
Certificates Redeemed	-	-	-	-	-	-	-	-	730,000
Interest	-	-	-	-	-	-	-	-	235,900
Paying Agent Fees	-	-	-	-	65	-	-	65	2,892
Special Obligations:									
Bonds Redeemed	-	-	-	-	-	-	-	-	319,515
Interest	-	-	-	-	-	-	-	-	217,061
Paying Agent Fees	-	-	-	-	-	-	-	-	3,700
TOTAL EXPENDITURES	5,118,134	668,215	39,570	114,409	65	-	-	5,940,393	19,724,466

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	City Bond and Interest Fund	Water G. O. Bonds 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 9/30/2017	Totals 9/30/2016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,340,131)	$ 2,745,479	$ (1,409)	$ 57,050	$ (65)	$ 103	$ -	$ 1,461,027	$ (12,414,480)
OTHER FINANCING SOURCES (USES):									
Transfers from Other Funds	1,456,686	-	-	-	-	-	-	1,456,686	1,432,441
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	12,913,226
Bond Premium Received	-	-	-	-	-	-	-	-	915,257
Transfers to Other Funds	-	-	-	-	-	(44,803)	-	(44,803)	(66,754)
Transfer from (to) Northeast MS Regional Water Supply District	-	(3,990,803)	-	-	-	-	-	(3,990,803)	(3,829,511)
TOTAL OTHER FINANCING SOURCES (USES)	1,456,686	(3,990,803)	-	-	-	(44,803)	-	(2,578,920)	11,364,659
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	116,555	(1,245,324)	(1,409)	57,050	(65)	(44,700)	-	(1,117,893)	(1,049,821)
FUND BALANCES- Beginning of Year	1,449,659	13,220,250	75,601	350,456	65	264,725	-	15,360,756	16,410,577
FUND BALANCES- End of Year	$ 1,566,214	$ 11,974,926	$ 74,192	$ 407,506	$ -	$ 220,025	$ -	$ 14,242,863	$ 15,360,756

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, 2017 and 2016

	9/30/17	9/30/16
ASSETS		
Cash	$ 17,340,724	$ 18,652,635
Receivables:		
General Property Taxes	293,140	280,908
Home Grant Receivable	465,000	465,000
Other	73,535	176,226
Due from Other Government Units	2,432,347	1,741,005
Due from Component Unit	627,229	734,675
Due from Other Funds	2,408,827	2,458,824
Prepaid Expenses	462,153	447,383
Inventories	35,143	31,657
TOTAL ASSETS	$ 24,138,098	$ 24,988,313
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	$ 322,215	$ 448,579
Unearned Revenues	67,322	167,346
Due to Other Entities	-	1,178,874
Due to Other Funds	43,904	-
Accrued Expenses	858,972	747,541
Total Liabilities	1,292,413	2,542,340
Fund Balance:		
Nonspendable		
Prepaid Expenses	462,153	447,383
Inventory	35,143	31,657
Long-Term Receivables	1,049,230	1,056,692
Restricted for		
Water Reserve	549,740	548,752
Unassigned	20,749,419	20,361,489
Total Fund Balance	22,845,685	22,445,973
TOTAL LIABILITIES AND FUND BALANCE	$ 24,138,098	$ 24,988,313

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016

	F.Y.E. 9/30/17	F.Y.E. 9/30/16
REVENUES		
Taxes:		
General Property Taxes	$ 6,340,899	$ 5,869,199
Payments in Lieu of Taxes	1,223,210	891,306
Penalties and Interest on Delinquent Taxes	75,435	74,334
Total Taxes	7,639,544	6,834,839
Licenses and Permits:		
Privilege License	325,785	327,390
Building Permits	247,736	250,142
Other Permits	14,184	14,875
Franchise Fees	383,168	371,216
Total Licenses and Permits	970,873	963,623
Intergovernmental Revenues:		
Federal Grants	197,171	132,423
State Grants	17,227	17,227
Other Grants	63,328	60,737
State Shared Revenues	21,314,584	20,950,358
Municipality Shared Revenues	3,200,000	3,200,000
County Shared Revenues	1,204,498	1,126,793
Total Intergovernmental Revenues	25,996,808	25,487,538
Charges for Services:		
Public Safety	153,284	137,146
Highways and Streets	13,150	10,300
Crime Lab Fees	57,553	71,766
Culture and Recreation Fees	454,355	472,227
Total Charges for Services	678,342	691,439
Fines and Forfeitures:		
Police Fines and Fees	1,050,190	1,082,879
Parking Fines and Fees	7,790	7,650
Total Fines and Forfeitures	1,057,980	1,090,529

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CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016
-Continued-

	F.Y.E. 9/30/17	F.Y.E. 9/30/16
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	$ 65,460	$ 63,453
Donations	18,796	65,278
Rents	75,855	69,545
Billings to Other Departments	227,481	231,314
Other	272,568	121,929
Total Miscellaneous Revenues	660,160	551,519
TOTAL REVENUES	37,003,707	35,619,487
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	256,517	235,914
Supplies	1,323	3,149
Other Services and Charges	230,038	209,754
Total Legislative Department	487,878	448,817
Executive Department:		
Personnel Services	675,671	608,543
Supplies	18,691	15,401
Other Services and Charges	295,415	323,182
Capital Outlay	245	2,185
Total Executive Department	990,022	949,311
City Court:		
Personnel Services	665,568	631,869
Supplies	16,318	13,263
Other Services and Charges	101,135	99,150
Total City Court	783,021	744,282

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016
-Continued-

	F.Y.E. 9/30/17	F.Y.E. 9/30/16
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	$ 743,245	$ 715,935
Supplies	35,461	14,321
Other Services and Charges	335,921	330,436
Capital Outlay	109,920	93,674
Total Budget and Accounting Department	1,224,547	1,154,366
Personnel Department:		
Personnel Services	236,092	247,717
Supplies	3,575	3,418
Other Services and Charges	30,073	30,891
Total Personnel Department	269,740	282,026
Planning Department:		
Personnel Services	1,165,853	1,174,158
Supplies	59,877	39,112
Other Services and Charges	75,931	65,591
Capital Outlay	1,613	2,453
Total Community Development Department	1,303,274	1,281,314
Total General Government	5,058,482	4,860,116
Public Safety:		
Police Department:		
Personnel Services	7,738,245	7,314,867
Supplies	577,141	570,014
Other Services and Charges	1,846,581	1,627,800
Capital Outlay	211,065	148,559
Total Police Department	10,373,032	9,661,240
Fire Department:		
Personnel Services	5,392,543	5,460,141
Supplies	240,871	232,131
Other Services and Charges	289,864	304,251
Total Fire Department	5,923,278	5,996,523
Total Public Safety	16,296,310	15,657,763

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016
-Continued-

	F.Y.E. 9/30/17	F.Y.E. 9/30/16
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	$ 2,718,806	$ 2,680,761
Supplies	314,595	319,291
Other Services and Charges	1,886,434	1,972,998
Capital Outlay	19,367	14,907
Total Public Works Department	4,939,202	4,987,957
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,642,792	1,570,312
Supplies	379,650	346,757
Other Services and Charges	850,479	961,317
Capital Outlay	43,050	47,922
Total Park and Recreation Department	2,915,971	2,926,308
Aquatic Center:		
Personnel Services	380,253	367,361
Supplies	133,840	129,837
Other Services and Charges	331,239	324,814
Capital Outlay	4,787	4,416
Total Aquatic Center	850,119	826,428
Museum Department:		
Personnel Services	104,166	105,579
Supplies	7,150	8,373
Other Services and Charges	27,580	30,487
Total Museum Department	138,896	144,439
Total Culture and Recreation	3,904,986	3,897,175
Other Functions:		
Community Services:		
Other Services and Charges	1,027,117	1,086,412
Total Community Services	1,027,117	1,086,412

CITY OF TUPELO
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016
-Continued-

	F.Y.E. 9/30/17	F.Y.E. 9/30/16
EXPENDITURES-Continued		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	$ 353,838	$ 179,183
Interest	244,270	78,960
Total General Obligations	598,108	258,143
Total Debt Service	598,108	258,143
TOTAL EXPENDITURES	31,824,205	30,747,566
EXCESS OF REVENUES OVER EXPENDITURES	5,179,502	4,871,921
OTHER FINANCING SOURCES (USES):		
Transfers Out	(4,803,453)	(4,380,817)
Transfers In	23,663	31,550
TOTAL OTHER FINANCING SOURCES (USES)	(4,779,790)	(4,349,267)
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	399,712	522,654
FUND BALANCE - Beginning of year	22,445,973	21,923,319
FUND BALANCE - End of year	$ 22,845,685	$ 22,445,973

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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
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, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Taxes:				
Payments in Lieu of Taxes	$ 41,000	$ 176	$ (40,824)	$ 40,992
Intergovernmental:				
State Shared Revenues	4,220,825	4,339,808	118,983	4,268,049
Miscellaneous Revenues:				
Interest	5,500	7,149	1,649	6,079
Other	-	28	28	1,550
TOTAL REVENUES	4,267,325	4,347,161	79,836	4,316,670
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	829,652	700,837	128,815	775,832
Supplies	15,900	11,818	4,082	14,226
Other Services and Charges	2,237,651	2,159,799	77,852	1,499,312
Capital Expenditures	48,651	48,590	61	9,519
Total Community Services	3,131,854	2,921,044	210,810	2,298,889
Total Other Functions	3,131,854	2,921,044	210,810	2,298,889
TOTAL EXPENDITURES	3,131,854	2,921,044	210,810	2,298,889
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,135,471	1,426,117	290,646	2,017,781

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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, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
OTHER FINANCING SOURCES (USES):				
Transfers Out	$ (1,135,471)	$ (1,117,662)	$ 17,809	$ (1,596,894)
TOTAL OTHER FINANCING SOURCES (USES)	(1,135,471)	(1,117,662)	17,809	(1,596,894)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	308,455	308,455	420,887
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	4,206,757	4,206,757	-	3,795,889
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 4,206,757	4,515,212	$ 308,455	4,216,776
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		20,965		(10,019)
FUND BALANCE (GAAP BASIS) - End of Year		$ 4,536,177		$ 4,206,757

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, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Taxes:				
General Property Taxes	$ 761,398	$ 787,800	$ 26,402	$ 729,601
Intergovernmental Revenues:				
State Shared Revenues	24,296	26,345	2,049	25,791
Miscellaneous Revenues:				
Interest Income	-	373	373	168
TOTAL REVENUES	785,694	814,518	28,824	755,560
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	560,001	560,001	-	520,062
Total Police Department	560,001	560,001	-	520,062
Fire Department:				
Personnel Services	240,000	240,000	-	222,883
Total Fire Department	240,000	240,000	-	222,883
Total Public Safety	800,001	800,001	-	742,945
TOTAL EXPENDITURES	800,001	800,001	-	742,945
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,307)	14,517	28,824	12,615
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	42,983	42,983	-	27,779
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	$ 28,676	57,500	$ 28,824	40,394
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		1,159		2,589
FUND BALANCE (GAAP BASIS) -				
End of Year		$ 58,659		$ 42,983

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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, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Miscellaneous Revenues:				
Interest	$ 2,500	$ 2,693	$ 193	$ 2,876
TOTAL REVENUES	2,500	2,693	193	2,876
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	-	-	-	-
Total Tupelo Coliseum	-	-	-	-
Total Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,500	2,693	193	2,876

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, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
OTHER FINANCING SOURCES (USES):				
Transfers In	$ 1,815,120	$ 1,915,120	$ 100,000	$ 1,615,120
Transfers Out	(2,720,051)	(2,508,720)	211,331	(2,292,018)
TOTAL OTHER FINANCING SOURCES (USES)	(904,931)	(593,600)	311,331	(676,898)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(902,431)	(590,907)	311,524	(674,022)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	955,138	955,138	-	1,629,160
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	$ 52,707	364,231	$ 311,524	955,138
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		$ 364,231		$ 955,138

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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, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Miscellaneous:				
Interest	$ -	$ 61	$ 61	$ 149
TOTAL REVENUES	-	61	61	149
EXPENDITURES				
Other Services and Charges	19,269	10,704	8,565	850
TOTAL EXPENDITURES	19,269	10,704	8,565	850
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,269)	(10,643)	8,626	(701)
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(19,269)	(10,643)	8,626	(701)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	118,179	118,179	-	118,880
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	$ 98,910	107,536	$ 8,626	118,179
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		$ 107,536		$ 118,179

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, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Charges for Sales & Services:				
Commissions	$ 90,000	$ 47,369	$ (42,631)	$ 45,549
Concessions & Other Sales	650,000	648,469	(1,531)	521,296
Direct Show Revenue	65,000	85,405	20,405	44,898
Parking	6,000	6,053	53	2,463
Service Charge	470,000	399,703	(70,297)	306,784
Rental Revenue	2,077,500	1,675,813	(401,687)	1,912,721
Personnel Service Fees	425,000	280,005	(144,995)	172,348
Miscellaneous Revenues:				
Advertising Agency Fee	600,000	483,849	(116,151)	443,671
Other	112,500	229,336	116,836	427,170
Interest	5,000	2,710	(2,290)	1,797
TOTAL REVENUES	4,501,000	3,858,712	(642,288)	3,878,697
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,862,330	1,539,909	322,421	1,576,177
Supplies	573,000	369,340	203,660	393,791
Other Services and Charges	2,491,500	2,143,842	347,658	2,428,893
Capital Outlay	1,000,000	931,497	68,503	789,638
Total Coliseum Operations	5,926,830	4,984,588	942,242	5,188,499
TOTAL EXPENDITURES	5,926,830	4,984,588	942,242	5,188,499
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,425,830)	(1,125,876)	299,954	(1,309,802)

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, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	$ 1,425,830	$ 1,189,499	$ (236,331)	$ 1,023,225
TOTAL OTHER FINANCING SOURCES (USES)	1,425,830	1,189,499	(236,331)	1,023,225
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	63,623	63,623	(286,577)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) - Beginning of Year	610,577	610,577	-	846,072
FUND BALANCE (DEFICIT) (NON-GAAP) BUDGETARY BASIS) - End of Year	$ 610,577	674,200	$ 63,623	559,495
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		82,823		51,082
FUND BALANCE (DEFICIT) (GAAP BASIS) End of Year		$ 757,023		$ 610,577

CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	$ 44,000	$ 10,578	$ (33,422)	$ 586
Fines and Forfeitures	100,000	107,162	7,162	104,989
Miscellaneous Revenues:				
Interest	1,000	3,520	2,520	3,043
Other	84,000	135,855	51,855	89,466
TOTAL REVENUES	229,000	257,115	28,115	198,084
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	41,000	14,857	26,143	11,052
Other Services and Charges	322,465	138,933	183,532	133,123
Capital Outlay	105,000	44,944	60,056	894
Total Police Department	468,465	198,734	269,731	145,069
TOTAL EXPENDITURES	468,465	198,734	269,731	145,069
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(239,465)	58,381	297,846	53,015
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(31,550)	(23,663)	7,887	(31,550)
TOTAL OTHER FINANCING SOURCES (USES)	(31,550)	(23,663)	7,887	(31,550)

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CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Totals for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ (271,015)	$ 34,718	$ 305,733	$ 21,465
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	1,781,071	1,781,071	-	1,759,606
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	$ 1,510,056	1,815,789	$ 305,733	1,781,071
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		1,420		0
FUND BALANCE (GAAP BASIS) -				
End of Year		$ 1,817,209		$ 1,781,071

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.

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 Funds Phase V and VI – These funds are 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
CITY CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	$ -	$ 7,302	$ 7,302	$ 7,173
State Shared Revenues	-	-	-	63,411
Miscellaneous Revenues:				
Interest	-	651	651	1,438
Donations	-	-	-	-
TOTAL REVENUES	-	7,953	7,953	72,022
EXPENDITURES				
Supplies	12,850	12,850	-	-
Capital Outlay:				
Capital Outlay	351,934	52,000	299,934	1,283,693
TOTAL EXPENDITURES	364,784	64,850	299,934	1,283,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(364,784)	(56,897)	307,887	(1,211,671)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- Beginning of Year	396,510	396,510	-	1,608,181
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- End of Year	$ 31,726	339,613	$ 307,887	396,510
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) End of Year		$ 339,613		$ 396,510

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

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Miscellaneous Revenues:				
Interest	$ -	$ 80	$ 80	$ 88
Other	-	286,047	286,047	38,000
TOTAL REVENUES	-	286,127	286,127	38,088
EXPENDITURES				
Other Services and Charges	23,150	8,048	15,102	93,801
Capital Outlay:				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	23,150	8,048	15,102	93,801
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,150)	278,079	301,229	(55,713)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	23,148	23,148	-	78,861
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ (2)	301,227	$ 301,229	23,148
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) End of Year		$ 301,227		$ 23,148

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

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Taxes:				
General Property Taxes	$ -	$ 192,044	$ 192,044	$ 4,526,057
Intergovernmental Revenues:				
State Shared Revenues	-	-	-	160,191
Federal Grants	-	-	-	159,022
Miscellaneous Revenues:				
Interest	-	-	-	3,679
TOTAL REVENUES	-	192,044	192,044	4,848,949
EXPENDITURES				
Personnel Services	-	-	-	94,591
Other Services and Charges	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	5,109,091
TOTAL EXPENDITURES	-	-	-	5,203,682
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	192,044	192,044	(354,733)
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,000,000)	(1,861,653)	138,347	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,000,000)	(1,861,653)	138,347	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(2,000,000)	(1,669,609)	330,391	(354,733)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- Beginning of Year	1,861,653	1,861,653	-	2,192,967
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- End of Year	$ (138,347)	192,044	$ 330,391	1,838,234
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(192,044)		23,419
FUND BALANCE (GAAP BASIS) End of Year		$ -		$ 1,861,653

CITY OF TUPELO
CITY THOROUGHFARE FUND PHASE VI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Taxes:				
General Property Taxes	$ 4,729,475	$ 4,701,059	$ (28,416)	$ -
Intergovernmental Revenues:				
State Shared Revenues	150,909	163,635	12,726	-
Miscellaneous Revenues:				
Interest	-	5,247	5,247	-
Other	-	39,538	39,538	-
TOTAL REVENUES	4,880,384	4,909,479	29,095	-
EXPENDITURES				
Personnel Services	98,377	94,311	4,066	-
Other Services and Charges	1,220,096	685,258	534,838	-
Capital Outlay:				
Capital Outlay	5,561,911	2,653,033	2,908,878	-
TOTAL EXPENDITURES	6,880,384	3,432,602	3,447,782	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,000,000)	1,476,877	3,476,877	-
OTHER FINANCING SOURCES (USES):				
Transfers In	2,000,000	1,861,653	(138,347)	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000	1,861,653	(138,347)	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	3,338,530	3,338,530	-
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- Beginning of Year	-	-	-	-
FUND BALANCE (NON-GAAP BUDGETARY BASIS)- End of Year	$ -	3,338,530	$ 3,338,530	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		199,250		-
FUND BALANCE (GAAP BASIS) End of Year		$ 3,537,780		$ -

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.

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Taxes:				
General Property Taxes	$ 3,286,780	$ 3,400,680	$ 113,900	$ 3,145,471
Intergovemmental Revenues:				
State Shared Revenues	104,881	113,726	8,845	111,333
Miscellaneous Revenues:				
Interest	-	2,207	2,207	2,649
Other	256,384	256,384	-	253,274
TOTAL REVENUES	3,648,045	3,772,997	124,952	3,512,727
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	3,975,000	3,818,371	156,629	16,076,590
Interest	1,300,314	1,291,120	9,194	884,986
Paying Agent Fees	25,000	8,643	16,357	9,425
Bond Issue Costs	-	-	-	389,280
TOTAL EXPENDITURES	5,300,314	5,118,134	182,180	17,360,281
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,652,269)	(1,345,137)	307,132	(13,847,554)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,580,361	1,456,686	(123,675)	66,754
Proceeds from Bond Issuance	-	-	-	12,913,226
Bond Premium Received	-	-	-	915,257
TOTAL OTHER FINANCING SOURCES (USES)	1,580,361	1,456,686	(123,675)	13,895,237

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ (71,908)	$ 111,549	$ 183,457	$ 47,683
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	1,449,659	1,449,659	-	1,385,678
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 1,377,751	1,561,208	$ 183,457	1,433,361
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		5,006		16,298
FUND BALANCE (GAAP-BASIS) - End of Year		$ 1,566,214		$ 1,449,659

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CITY OF TUPELO
WATER G.O. BONDS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	$ 3,500,000	$ 3,382,652	$ (117,348)	$ 3,451,098
Miscellaneous Revenues:				
Interest	-	31,042	31,042	1,512
TOTAL REVENUES	3,500,000	3,413,694	(86,306)	3,452,610
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	295,000	295,000	-	280,000
Interest	366,880	366,880	-	382,692
Paying Agent Fees	9,000	6,335	2,665	11,020
Total Debt Service	670,880	668,215	2,665	673,712
TOTAL EXPENDITURES	670,880	668,215	2,665	673,712
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,829,120	2,745,479	(83,641)	2,778,898
OTHER FINANCING SOURCES (USES):				
Transfer (to) From Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	(9,764,060)	(3,990,803)	5,773,257	(3,829,511)
TOTAL OTHER FINANCING SOURCES (USES)	(9,764,060)	(3,990,803)	5,773,257	(3,829,511)

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CITY OF TUPELO
WATER G.O. BONDS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ (6,934,940)	$ (1,245,324)	$ 5,689,616	$ (1,050,613)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	13,220,250	13,220,250	-	14,270,863
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 6,285,310	11,974,926	$ 5,689,616	13,220,250
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) - End of Year		$ 11,974,926		$ 13,220,250

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Taxes:				
General Property Taxes	$ 41,880	$ 38,443	$ (3,437)	$ 93,690
Miscellaneous Revenues:				
Interest	-	168	168	154
TOTAL REVENUES	41,880	38,611	(3,269)	93,844
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	30,000	30,000	-	50,000
Interest	6,880	6,880	-	9,655
Paying Agent Fees	5,000	2,690	2,310	2,690
Total Debt Service	41,880	39,570	2,310	62,345
TOTAL EXPENDITURES	41,880	39,570	2,310	62,345
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(959)	(959)	31,499
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ -	$ (959)	$ (5,579)	$ 31,499
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	75,601	75,601	-	44,474
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 75,601	74,642	$ (5,579)	75,973
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(450)		(372)
FUND BALANCE (GAAP-BASIS) - End of Year		$ 74,192		$ 75,601

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Taxes:				
General Property Taxes	$ 114,560	$ 170,762	$ 56,202	$ 233,896
Miscellaneous Revenues:				
Interest	-	697	697	508
TOTAL REVENUES	114,560	171,459	56,899	234,404
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	90,000	90,000	-	90,000
Interest	22,560	22,560	-	27,210
Paying Agent Fees	2,000	1,849	151	1,850
Total Debt Service	114,560	114,409	151	119,060
TOTAL EXPENDITURES	114,560	114,409	151	119,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	57,050	57,050	115,344
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, 2017
With Comparative Actual Amounts for Year Ended September 30, 2016
-Continued-

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ -	$ 57,050	$ 57,050	$ 115,344
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	350,456	350,456	-	235,112
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 350,456	407,506	$ 57,050	350,456
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) - End of Year		$ 407,506		$ 350,456

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	$ -	$ -	$ -	$ 173
TOTAL REVENUES	-	-	-	173
EXPENDITURES				
Debt Service:				
Certificates Redeemed	-	-	-	730,000
Interest	-	-	-	235,900
Paying Agent Fees	65	65	-	2,892
Total Debt Service	65	65	-	968,792
TOTAL EXPENDITURES	65	65	-	968,792
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65)	(65)	-	(968,619)
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project Fund	-	-	-	968,792
Transfer to City Bond and Interest Fund	-	-	-	(66,754)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	902,038

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

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (UNFAVORABLE)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ (65)	$ (65)	$ -	$ (66,581)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	65	65	-	66,646
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ -	-	$ -	65
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) End of Year		$ -		$ 65

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	$ -	$ 103	$ 103	$ 179
TOTAL REVENUES	-	103	103	179
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	245,000
Interest	-	-	-	191,634
Paying Agent Fees	-	-	-	2,500
Total Debt Service	-	-	-	439,134
TOTAL EXPENDITURES	-	-	-	439,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	103	103	(438,955)
OTHER FINANCING SOURCES (USES):				
Transfers Out	(44,804)	(44,803)	1	300,000
TOTAL OTHER FINANCING SOURCES (USES)	(44,804)	(44,803)	1	300,000

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ (44,804)	$ (44,700)	$ 104	$ (138,955)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	264,725	264,725	-	403,680
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ 219,921	220,025	$ 104	264,725
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) - End of Year		$ 220,025		$ 264,725

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

	F.Y.E. 9/30/2017			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2016 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	$ -	$ -	$ -	$ 123
TOTAL REVENUES	-	-	-	123
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	74,515
Interest	-	-	-	25,427
Paying Agent Fees	-	-	-	1,200
Total Debt Service	-	-	-	101,142
TOTAL EXPENDITURES	-	-	-	101,142
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(101,019)
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	96,895
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	96,895

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

	F.Y.E. 9/30/2017			
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**F.Y.E. 9/30/2016 Actual**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	$ -	$ -	$ -	$ (4,124)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	-	-	-	4,124
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	$ -	-	$ -	-
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) - End of Year		$ -		$ -

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, 2017
With Comparative Totals for September 30, 2016

	Metro Vice Seized Fund	City Court Restitution Fund	Flexible Spending Fund	Self Insurance Fund	Arts Committee Fund	Totals 9/30/17	Totals 9/30/16
ASSETS							
Cash	$ 141,671	$ 6,964	$ 13,182	$ 1,151,632	$ 737	$ 1,314,186	$ 1,449,888
Investments	-	-	-	500	-	500	500
Due from Employees	-	-	-	-	-	-	
Interest Receivable	-	-	-	-	-	-	-
TOTAL ASSETS	$ 141,671	$ 6,964	$ 13,182	$ 1,152,132	$ 737	$ 1,314,686	$ 1,450,388
LIABILITIES							
Accounts Payable	$ 548	$ -	$ -	$ 55,909	$ -	$ 56,457	$ 56,596
Due to Other Funds	-	-	8,827	-	-	8,827	8,824
Due to Complainants	-	6,964	-	-	-	6,964	6,964
Due to Arts Committee	-	-	-	-	737	737	735
Due to Employees	-	-	4,355	-	-	4,355	2,076
Due to Insured Employees	-	-	-	1,096,223	-	1,096,223	1,243,811
Seized Money Held	141,123	-	-	-	-	141,123	131,382
TOTAL LIABILITIES	$ 141,671	$ 6,964	$ 13,182	$ 1,152,132	$ 737	$ 1,314,686	$ 1,450,388

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2017

	Balance September 30, 2016	Debits	Credits	Balance September 30, 2017
METRO VICE SEIZED FUND				
ASSETS				
Cash	$ 131,382	$ 148,807	$ 138,518	$ 141,671
LIABILITIES				
Accounts Payable	$ -	$ 17,752	$ 18,300	$ 548
Seized Money Held	131,382	260,323	270,064	141,123
Total Liabilities	$ 131,382	$ 278,075	$ 288,364	$ 141,671
CITY COURT RESTITUTION FUND				
ASSETS				
Cash	$ 6,964	$ 12	$ 12	$ 6,964
LIABILITIES				
Due to Complainants	$ 6,964	$ -	$ -	$ 6,964
FLEXIBLE SPENDING FUND				
ASSETS				
Cash	$ 10,900	$ 5,611	$ 3,329	$ 13,182
LIABILITIES				
Due to Other Funds	$ 8,824	$ -	$ 3	$ 8,827
Due to Employees	2,076	3,329	5,608	4,355
Total Liabilities	$ 10,900	$ 3,329	$ 5,611	$ 13,182
TUPELO ARTS COMMITTEE				
ASSETS				
Cash	$ 735	$ 2	$ -	$ 737
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
Deposits - Arts Committee	735	-	2	737
Total Liabilities	$ 736	$ -	$ 2	$ 737

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CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2017
-Continued-

	Balance September 30, 2016	Debits	Credits	Balance September 30, 2017
SELF INSURANCE FUND				
ASSETS				
Cash	$ 1,299,907	$ 141,977	$ 290,252	$ 1,151,632
Investments	500	-	-	500
Interest Receivable	-	-	-	-
Total Assets	$ 1,300,407	$ 141,977	$ 290,252	$ 1,152,132
LIABILITIES				
Accounts Payable	$ 56,596	$ 119,088	$ 118,401	$ 55,909
Due to Insured Employees	1,243,811	151,230	3,642	1,096,223
Total Liabilities	$ 1,300,407	$ 270,318	$ 122,043	$ 1,152,132
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash	$ 1,449,888	$ 296,409	$ 432,111	$ 1,314,186
Investments	500	-	-	500
Receivables	-	-	-	-
Total Assets	$ 1,450,388	$ 296,409	$ 432,111	$ 1,314,686
LIABILITIES				
Accounts Payable	$ 56,596	$ 136,840	$ 136,701	$ 56,457
Due to Other Funds	8,824	-	3	8,827
Seized Money Held	131,382	260,323	270,064	141,123
Deposits - Arts Committee	735	-	2	737
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	1,243,811	151,230	3,642	1,096,223
Due to Employees	2,076	3,329	5,608	4,355
Total Liabilities	$ 1,450,388	$ 551,722	$ 416,020	$ 1,314,686

OTHER SUPPLEMENTAL INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
September 30, 2017

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	$ 11,974,926
	Total Investments - Debt Service Funds				11,974,926
	Total Investments - Governmental Funds				11,974,926
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	N/A	N/A	500
	Total Investments - Agency Funds				500
	Total Investments - Fiduciary Funds				500
	Total Investments - All Funds				$ 11,975,426

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2017

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2016	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2017	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
GENERAL OBLIGATION BONDS:									
General City Bonds									
G.O. - Series 2012	2.000 - 2.375%	5/1/12	11/1/32	$ 5,640,000	$ -	$ (120,000)	$ 5,520,000	$ 120,000	$ 115,163
G.O. - Series 2013	2.100 - 3.000%	4/10/13	9/30/33	5,640,000	-	(120,000)	5,520,000	120,000	131,826
G.O. - Series 2013	2.500 - 3.250%	9/1/13	9/30/28	2,505,000	-	(175,000)	2,330,000	180,000	64,675
G.O. - Series 2011	2.100 - 2.875%	12/1/11	12/1/30	3,595,000	-	(100,000)	3,495,000	160,000	82,089
G.O. Refunding - Series A	2.000 - 3.000%	6/21/11	7/1/19	2,390,000	-	(775,000)	1,615,000	795,000	44,475
G.O. Refunding - Series B	2.000 - 4.375%	6/21/11	7/1/23	3,675,000	-	(465,000)	3,210,000	485,000	124,694
G.O. - Series 2015	1.310 - 3.280%	7/28/15	7/1/29	3,900,000	-	(100,000)	3,800,000	100,000	103,490
G.O. Refunding - Series 2016	1.100 - 1.970%	1/28/16	2/1/22	4,580,000	-	(770,000)	3,810,000	780,000	57,579
G.O. - Series 2016	2.313 - 2.685%	5/12/16	4/1/36	6,000,000	-	(100,000)	5,900,000	100,000	151,680
G.O. Combined Refunding-Series 2016	3.000 - 5.000%	8/4/16	7/1/26	9,230,000	-	(1,250,000)	7,980,000	1,255,000	326,200
Total General City Bonds				47,155,000	-	(3,975,000)	43,180,000	4,095,000	1,201,870
Water Bonds									
Series 2008 - Refunding Bonds	3.91 - 5.51%	12/17/08	12/1/33	8,295,000	-	(295,000)	8,000,000	310,000	350,243
Total Water Bonds				8,295,000	-	(295,000)	8,000,000	310,000	350,243
Special Assessments General Obligation Bonds									
Series 2000	variable	8/1/00	8/1/20	130,000	-	(30,000)	100,000	30,000	5,320
Total Special Assessments General Obligations Bonds				130,000	-	(30,000)	100,000	30,000	5,320
TOTAL GENERAL OBLIGATION BONDS				55,580,000	-	(4,300,000)	51,280,000	4,435,000	1,557,433
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	1,281,896	-	(61,899)	1,219,997	63,641	35,736
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	1,071,819	-	(93,495)	978,324	96,300	29,350
Bank of America ESCO	2.62%	10/9/15	4/9/32	4,353,000	-	(168,796)	4,184,204	231,019	108,123
Total General City Notes Payable				6,706,715	-	(324,190)	6,382,525	390,960	173,208

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CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2017

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2016	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2017	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
OTHER LONG-TERM DEBT - Continued:									
Water and Sewer Notes Payable									
Drinking Water Loan	4.00%	9/1/05	5/1/25	$ 571,136	$ -	$ (56,269)	$ 514,867	$ 58,561	$ 19,529
Drinking Water Loan	1.95%	6/14/06	12/1/27	311,527	-	(25,010)	286,517	25,502	5,360
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	3,610,412	-	(342,614)	3,267,798	348,658	54,399
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	14,695,097	-	(1,202,150)	13,492,947	1,223,358	226,345
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	3,749,118	-	(162,087)	3,587,031	165,276	68,475
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	4,437,045	-	(195,578)	4,241,467	199,028	72,634
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	3,466,394	-	(151,248)	3,315,146	153,917	56,784
SRF - Annexed Water		In progress		2,022,463	1,873,527	-	3,895,990	-	-
SRF - 2015 Water		In progress		53,560	-	-	53,560	-	-
SRF - Annex Sewer 2014		In progress		1,110,973	3,122,278	-	4,233,251	-	-
Total Water and Sewer Notes Payable				34,027,725	4,995,805	(2,134,956)	36,888,574	2,174,300	503,527
Mississippi Development Lease	4.000 - 5.000%	9/21/00	7/1/25	254,078	-	(29,648)	224,430	29,647	2,805
Tax Increment Limited Obligation Bonds									
Series 1998	5.70%	2/1/98	3/1/18	105,000	-	(50,000)	55,000	55,000	1,568
Series 2009	4.50%	5/13/09	5/1/24	400,000	-	(40,000)	360,000	45,000	16,200
Total Tax Increment Limited Obligation Bonds				505,000	-	(90,000)	415,000	100,000	17,768
Northeast MS Regional Water Supply District									
State Revolving Loan	3.00%	9/1/98	8/1/22	869,667	-	(156,127)	713,540	160,876	19,206
Tupelo Airport Authority									
Notes Payable	3.00%	9/1/00	8/1/22	146,075	-	(19,064)	127,011	19,636	3,810
TOTAL OTHER LONG-TERM DEBT				35,802,545	4,995,805	(2,429,795)	38,368,555	2,484,459	547,115
TOTAL LONG-TERM DEBT				$ 98,089,260	$ 4,995,805	$ (7,053,985)	$ 96,031,080	$ 7,310,419	$ 2,277,756

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2017

	MUNICIPAL	SCHOOL	TAX
Adjusted Assessed Valuation:			
Realty	$ 348,360,608	$ 11,954,886	
Personal	90,178,531	28,515,567	
Personal - Auto (From County)	57,373,536	4,205,327	
Total Municipal at 96.57 Mills	$ 495,912,675		$ 47,890,287
Total School at 64.10 Mills		$ 44,675,780	2,863,717
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		$ 531,323	
School Homestead Reimbursement		449,387	
Prior Year Tax Collections		316,047	
Penalties and Interest		75,435	
In-Lieu Taxes		1,223,210	
Heavy Duty Truck Tax		27,808	
Special Assessments		37,993	2,661,203
Less:			
Cost of Collections		301,173	
School Homestead Loss		792,605	1,093,778
TOTAL TO BE ACCOUNTED FOR			$ 52,321,430

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2017
-Continued-

	TAXES	HOMESTEAD REIMBURSEMENT	TOTALS
Collection Credits to Funds:			
Municipal General Fund	$ 7,639,544	$ 211,744	$ 7,851,288
Special Assessments Fund	37,993	-	37,993
Tax Increment Bond Fund	170,762	-	170,762
City Bond & Interest Fund	3,405,686	113,726	3,519,412
Library Fund	475,451	15,873	491,324
Firemen & Policemen Retirement Fund	788,959	26,345	815,304
City Special Levy Street Improvements Fund	4,900,308	163,635	5,063,943
School Maintenance Fund	28,905,595	449,387	29,354,982
School Bond and Interest Fund	3,293,798	-	3,293,798
Tupelo/Lee County Vo-Tech	65	-	65
School Notes - Shortfall Note	1,619,937	-	1,619,937
Total Collections	$ 51,238,098	$ 980,710	52,218,808
Balance Represented By:			
			-
Unpaid Property Taxes		$ 102,590	
Unaccounted For (Over)		32	102,622
TOTAL ACCOUNTED FOR			$ 52,321,430

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

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	75,000	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
For the year ended September 30, 2017

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:				
Mississippi Development Authority:				
Community Development Block Grant	1131-14-366-ED-01	14.228	$	506,206
Community Development Block Grant	1132-15-366-PF-01	14.228		51,785
Total U.S. Department of Housing and Urban Development			$	557,991
Environmental Protection Agency				
Passed through State Office of:				
Mississippi Department of Environmental Quality:				
Capitalization Grants for Clean Water State Revolving Loans*	SRF-C280885-06	66.458	$	1,357,843
Capitalization Grants for Drinking Water State Revolving Loans	DWI-L1410015-04-0	66.468		589,147
Total Environmental Protection Agency			$	1,946,990
U. S. Department of Justice				
Federal Equitable Sharing Agreement	11-DEA-541721	16.000	$	7,302
US Marshall Service	JELO	16.111		18,746
Bulletproof Vest Partnership Program		16.607		5,066
Juvenile Mentoring Program	2017-NPAL-TO-106	16.726		19,944
Justice Assistance	2014-DJBX-0504	16.738		15,496
Total U.S. Department of Justice			$	66,554
U. S. Department of Transportation				
Passed through State Office of:				
Mississippi Department of Transportation:				
Highway Planning and Construction Grant	STP-0430-00(18)	20.205	$	19,007
Highway Planning and Construction Grant	SRSP-0430-00(020)	20.205		204,134
Subtotal				223,141
Airport Improvement Program*	3-28-0070-041-2016	20.106		937,099
Airport Improvement Program*	3-28-0070-042-2017	20.106		49,115
Subtotal				986,214
Total U.S. Department of Transportation			$	1,209,355

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CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2017

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
U. S. Department of Homeland Security			
Passed through State Office of:			
Mississippi Emergency Management Agency:			
Homeland Security Grant*	B16LE366	97.039	$ 15,000
Homeland Security Grant*	S14HS366T	97.039	7,062
Homeland Security Grant*	S15HS366T	97.039	4,706
Homeland Security Grant*	15LE366	97.039	45,651
Homeland Security Grant*	15HS366T	97.039	60,000
Disaster Grants - Public Assistance	4175-DR-MS	97.036	438,796
Hazard Mitigation Grant*	HM-1604-0515	97.039	1,054,810
Hazard Mitigation Grant*	HM-1604-0516	97.039	1,061,510
Total U. S. Department of Homeland Security			$ 2,687,535
Department of the Interior National Park Service			
Passed through State Office of:			
Mississippi Department of History and Archives:			
Historical Preservation Fund Grants-In-Aid		15.904	$ 19,431
Total Department of the Interior			$ 19,431
TOTAL FEDERAL EXPENDITURES			$ 6,487,856

SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of expenditures of federal awards includes the federal award activity of the City of Tupelo, Mississippi under programs of the federal government for the year ended September 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

* - Major Program

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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Rudolph Franks, CPA (emeritus)

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

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, 2017, 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 26, 2018.

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.
Tupelo, Mississippi
March 26, 2018

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

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 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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of 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, 2017.

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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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Franks, Franks, Jarrell + Wilemon, P.A.

Franks, Franks, Jarrell & Wilemon, P.A.
Tupelo, Mississippi
March 26, 2018

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CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2017

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 2 CFR 200.516(a)?	____Yes __X__ No

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation – Airport Improvement Program
66.458	Environmental Protection Agency – Capitalization Grants for Clean Water
97.039	U.S. Dept. of Homeland Security – Homeland Security and Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	__X__ Yes ____ 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, 2017, and have issued our report thereon dated March 26, 2018. 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.
Tupelo, Mississippi
March 26, 2018