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**CITY OF TUPELO,
MISSISSIPPI**

FINANCIAL STATEMENTS

September 30, 2018

Prepared by:
Franks, Franks, Wilemon & Hagood, 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, 2018, 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 29 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, 2017 and ending June 30, 2018.

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, 2018, 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.

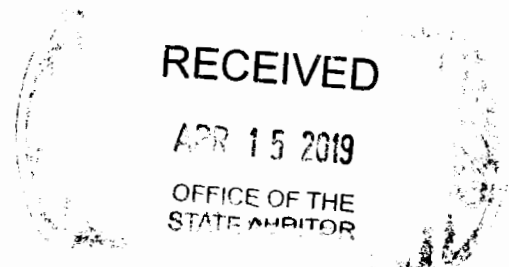
The combining and individual fund financial statements, other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 28, 2019 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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
March 28, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2018

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, 2018. 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 \$258,652,808. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$257,482,966.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$51,032,046, an increase of \$1,366,345 in comparison to the prior year. Approximately 37% of the combined fund balances, \$18,715,836 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$116,870,875. Debt in the amount of \$28,629,808 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$7,663,002 was repaid during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's operations in more detail than the government-wide statements.
- The Governmental Funds statements tell how general government services such as public safety were financed in the short-term as well as what remains for future spending. The City has four Governmental Fund types: the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Figure A-1

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

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

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Tupelo has two types of funds:

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

Government-wide Financial Analysis

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

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$258,652,808 at the close of the most recent fiscal year. This is a \$1,169,842 increase over last year's net position of \$257,482,966. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2018 and 2017.



CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 79.5% and 81.8%, 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, 2018 and 2017, respectively. The City uses these capital assets to provide services to citizens; however, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1

City of Tupelo's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current & Other Assets	\$ 57,743,746	\$ 56,720,315	\$ 77,014,793	\$ 63,841,672	\$ 134,758,539	\$ 120,561,987
Capital Assets	179,476,559	174,681,850	146,992,121	133,716,510	326,468,680	308,398,360
Total Assets	237,220,305	231,402,165	224,006,914	197,558,182	461,227,219	428,960,347
Total Deferred Outflows	1,076,320	2,437,558	667,734	1,437,485	1,744,054	3,875,043
Other Liabilities	9,709,156	9,269,576	20,447,432	14,526,965	30,156,588	23,796,541
Noncurrent Liabilities	104,404,089	98,125,311	66,074,662	49,861,961	170,478,751	147,987,272
Total Liabilities	114,113,245	107,394,887	86,522,094	64,388,926	200,635,339	171,783,813
Total Deferred Inflows	2,971,642	3,011,672	711,484	556,939	3,683,126	3,568,611
Net Position:						
Net Investment in						
Capital Assets	115,402,506	115,769,840	90,240,706	95,045,904	205,643,212	210,815,744
Restricted	26,749,685	25,002,065	42,161,381	35,567,784	68,911,066	60,569,849
Unrestricted (Deficit)	(20,940,453)	(17,338,741)	5,038,983	3,436,114	(15,901,470)	(13,902,627)
Total Net Position	\$ 121,211,738	\$ 123,433,164	\$ 137,441,070	\$ 134,049,802	\$ 258,652,808	\$ 257,482,966

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 \$5,038,983. 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 11.5% of the City's total revenues come from property taxes, with 37.0% of all revenue coming from some type of tax. (See Table A-2.) This compares to 11.3% and 35.5% 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,483,489	\$ 5,657,423	\$ 73,798,158	\$ 75,949,865	\$ 79,281,647	\$ 81,607,288
Operating Grants & Contributions	428,442	296,522	-	-	428,442	296,522
Capital Grants & Contributions	420,550	3,456,280	3,931,897	3,474,632	4,352,447	6,930,912
General Revenues:						
Property Taxes	15,986,808	16,120,059	-	-	15,986,808	16,120,059
Other Taxes	35,284,988	34,663,892	-	-	35,384,988	34,663,892
Investment Income	546,986	126,684	340,218	73,067	887,204	199,751
Other	2,522,062	3,216,581	705	149,664	2,522,767	3,366,245
Total Revenues	60,673,325	63,537,441	78,070,978	79,647,228	138,744,303	143,184,669
Expenses						
General Government	6,027,503	6,084,516	-	-	6,027,503	6,084,516
Public Safety	20,625,662	20,569,791	-	-	20,625,662	20,569,791
Public Works	10,869,017	10,862,482	-	-	10,869,017	10,862,482
Culture & Recreation	10,130,344	9,636,793	-	-	10,130,344	9,636,793
Other Functions	4,664,584	5,127,762	-	-	4,664,584	5,127,762
Capital Projects	4,229,904	3,580,600	-	-	4,229,904	3,580,600
Interest on Long-Term Debt	1,923,404	1,761,082	-	-	1,923,404	1,761,082
Water & Sewer	-	-	10,669,205	9,929,783	10,669,205	9,929,783
Electric	-	-	55,670,376	57,868,607	55,670,376	57,868,607
Solid Waste Management	-	-	3,317,948	3,215,485	3,317,948	3,215,485
N. MS Reg. Water Supp. Dist.	-	-	3,811,558	3,736,476	3,811,558	3,736,476
Total Expenses	58,470,418	57,623,026	73,469,087	74,750,351	131,939,505	132,373,377
Excess of Revenue Over Exp.	2,202,907	5,914,415	4,601,891	4,896,877	6,804,798	10,811,292
Transfers	(4,424,333)	(3,990,803)	(1,210,623)	(1,258,468)	(5,634,956)	(5,249,271)
Change in Net Position	(2,221,426)	1,923,612	3,391,268	3,638,409	1,169,842	5,562,021
Net Position—Beginning	123,433,164	121,509,552	134,049,802	130,411,393	257,482,966	251,920,945
Net Position—Ending	\$121,211,738	\$123,433,164	\$137,441,070	\$134,049,802	\$258,652,808	\$257,482,966

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities decreased the City's net position by \$2,221,426. Key elements of this decrease are as follows:

The largest funding sources for the City's governmental activities, as a percent of total revenues, are sales tax 47.9%, property taxes 26.4% and charges for services 9.0%.

The largest expense categories for the City's governmental activities are public safety 35.3% and public works 18.6%.

Business-type Activities

Business-type activities increased the City's net position by \$3,391,268.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$12,467,344 for water and sewer, \$54,885,848 for electric, \$3,443,352 for solid waste management and \$3,001,614 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 \$18,715,836, which comprised 94.4% 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 decreased by \$3,026,435 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$12,427,571, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$1,815,292.

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 \$11,697,195.



CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants or taxes from the federal and state governments. At the end of the current fiscal year, the fund balance was \$7,088,030, 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 \$137,441,070. Changes in net position, which totaled \$3,391,268, were as follows: the electric fund decreased by \$668,881, the water & sewer fund increased by \$1,006,393, the solid waste management fund increased by \$135,209 and Northeast Mississippi Regional Water Supply District increased by \$2,918,547.

Budgetary Highlights

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

The City's 2017 – 2018 general fund budget increased by \$1,088,156 and an overall operating budget increase of \$8,861,769.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$29,023,000 in capital projects from fiscal years 2020 – 2024. 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, 2018, amounted to \$326,468,680, net of accumulated depreciation of \$226,043,542. 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 12,476,088	\$ 12,456,088	\$ 1,812,708	\$ 1,767,958	\$ 14,288,796	\$ 14,224,046
Infrastructure	139,740,699	139,740,699	-	-	139,740,699	139,740,699
Plant, Buildings, Improvements	110,542,457	101,953,102	199,688,078	197,253,050	310,230,535	299,206,152
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	26,602,066	25,732,260	17,406,623	16,435,765	44,008,689	42,168,025
Construction in Progress	10,641,150	6,776,122	26,705,543	11,109,919	37,346,693	17,886,041
Accumulated Depreciation	(120,525,901)	(111,976,421)	(105,517,641)	(99,746,992)	(226,043,542)	(211,723,413)
Total	\$ 179,476,559	\$ 174,681,850	\$ 146,992,121	\$ 133,716,510	\$ 326,468,680	\$ 308,398,360

Long-term Debt—At year-end, the City had \$116,870,875 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4

City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary	Government
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 56,155,691	\$ 50,418,710	\$ 619,309	\$ 761,290	\$ 56,775,000	\$ 51,180,000
Special Assessment Bonds	70,000	100,000	-	-	70,000	100,000
Special Obligation Bonds	-	-	14,675,000	-	14,675,000	-
Tax Increment Bonds	315,000	415,000	-	-	315,000	415,000
State Revolving Loans	-	-	552,664	713,540	552,664	713,540
Notes Payable	5,991,969	6,606,955	38,491,242	36,888,574	44,483,211	43,495,529
Total	\$ 62,532,660	\$ 57,540,665	\$ 54,338,215	\$ 38,363,404	\$ 116,870,875	\$ 95,904,069

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2019 are summarized as follows:

1. Sales tax revenues will remain flat.
2. Property tax revenue will increase 1%.
3. Interest rates will increase significantly due to the new depository contract.

This contributed to the following projections:

1. Property tax revenue will increase.
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 due to a 9% increase in health insurance and a mid-year increase of 1.65% in the Public Employee Retirement System.

CONTACTING THE CITY OF TUPELO FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Tupelo's Finance Department, P.O. Drawer 1485 Tupelo, MS 38802.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>ASSETS:</u>				
Current Assets:				
Cash	\$ 38,173,432	\$ 20,659,261	\$ 58,832,693	\$ 1,551,308
Cash - Restricted	-	3,237,364	3,237,364	-
Investments	10,000,942	-	10,000,942	-
General Property Taxes Receivable	552,420	-	552,420	-
Other Receivables	314,537	361,588	676,125	-
Lease Receivable	210,000	-	210,000	-
Accounts Receivable, Net	1,715,131	6,908,415	8,623,546	25,459
Accounts Receivable - Restricted	-	279,481	279,481	-
Accrued Interest Receivable - Restricted	-	144,801	144,801	-
Unbilled Revenue	-	1,774,178	1,774,178	-
Due from Other Funds	2,350,000	5,031,048	7,381,048	-
Due from Other Governmental Units	2,782,696	-	2,782,696	319,523
Due from Other Governmental Units - Restricted	-	652,969	652,969	-
Due from Trustee - Restricted	-	4,164,120	4,164,120	-
Due from Component Units	42,782	-	42,782	-
Inventories	68,731	970,943	1,039,674	-
Prepaid Expenses	40,637	95,823	136,460	2,897
Other Current Assets	-	115,644	115,644	-
TOTAL CURRENT ASSETS	56,251,308	44,395,635	100,646,943	1,899,187
Noncurrent Assets:				
Cash - Restricted	-	32,233,477	32,233,477	-
Notes Receivable	92,438	303,467	395,905	-
Home Grant Receivable	465,000	-	465,000	-
Other Receivables	-	51,389	51,389	-
Lease Receivable	935,000	-	935,000	-
Other Assets	-	30,825	30,825	-
Capital Assets:				
Land	12,476,088	1,812,708	14,288,796	6,099,049
Plant, Buildings and Improvements	110,542,457	199,688,078	310,230,535	50,020,272
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	26,602,066	17,406,623	44,008,689	1,289,388
Infrastructure	139,740,699	-	139,740,699	-
Construction in Progress	10,641,150	26,705,543	37,346,693	-
Accumulated Depreciation	(120,525,901)	(105,517,641)	(226,043,542)	(26,709,660)
TOTAL NONCURRENT ASSETS	180,968,997	179,611,279	360,580,276	30,699,049
TOTAL ASSETS	237,220,305	224,006,914	461,227,219	32,598,236
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows Related to Pensions	1,076,320	667,734	1,744,054	82,506
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,076,320	\$ 667,734	\$ 1,744,054	\$ 82,506

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2018
-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 1,878,875	\$ 6,717,765	\$ 8,596,640	\$ 319,523
Accrued Expenses	748,553	210,170	958,723	35,180
Accrued Interest Payable	744,097	244,243	988,340	-
Due to Other Funds	-	6,462,137	6,462,137	-
Due to Other Governmental Units and Entities	-	-	-	756,144
Unearned Revenues	1,215,057	-	1,215,057	7,733
Current Portion of Capital Lease	-	-	-	-
Long-Term Debt: Due Within One Year	5,113,490	3,473,013	8,586,503	20,225
Customer and Event Deposits	9,084	3,340,104	3,349,188	-
TOTAL CURRENT LIABILITIES	9,709,156	20,447,432	30,156,588	1,138,805
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	309,915	309,915	-
Accrued Compensated Absences	1,054,739	107,564	1,162,303	-
Due to Other Funds	-	3,540,833	3,540,833	-
Net Pension Liability	45,132,884	9,636,961	54,769,845	895,685
Long-Term Debt: Due in More Than One Year	58,216,466	52,479,389	110,695,855	87,151
TOTAL NONCURRENT LIABILITIES	104,404,089	66,074,662	170,478,751	982,836
TOTAL LIABILITIES	114,113,245	86,522,094	200,635,339	2,121,641
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows Related to Pensions	2,971,642	711,484	3,683,126	71,795
TOTAL DEFERRED INFLOWS OF RESOURCES	2,971,642	711,484	3,683,126	71,795
<u>NET POSITION</u>				
Net Investment in Capital Assets	115,402,506	90,240,706	205,643,212	30,591,673
Restricted for:				
Capital Projects	8,023,629	38,821,589	46,845,218	-
Debt Service	12,427,571	3,339,792	15,767,363	-
Special Revenue	5,743,469	-	5,743,469	-
Water Reserve	555,016	-	555,016	-
Unrestricted (Deficit)	(20,940,453)	5,038,983	(15,901,470)	(104,367)
TOTAL NET POSITION	\$ 121,211,738	\$ 137,441,070	\$ 258,652,808	\$ 30,487,306
TOTAL LIABILITIES AND NET POSITION	\$ 235,324,983	\$ 223,963,164	\$ 459,288,147	\$ 32,608,947

See accompanying notes to financial statements.

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CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2018

23

						Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT Tupelo Airport Authority
FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES				PRIMARY GOVERNMENT			
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 6,027,503	\$ 592,039	\$ 47,353	\$ -	\$ 639,392	\$ (5,388,111)	\$ -	\$ (5,388,111)	\$ -
Public Safety	20,625,662	1,142,308	319,089	-	1,461,397	(19,164,265)	-	(19,164,265)	-
Public Works	10,869,017	-	-	-	-	(10,869,017)	-	(10,869,017)	-
Culture and Recreation	10,130,344	3,749,142	62,000	150,400	3,961,542	(6,168,802)	-	(6,168,802)	-
Other Functions	4,664,584	-	-	-	-	(4,664,584)	-	(4,664,584)	-
Capital Projects	4,229,904	-	-	270,150	270,150	(3,959,754)	-	(3,959,754)	-
Interest on Long-Term Debt	1,923,404	-	-	-	-	(1,923,404)	-	(1,923,404)	-
TOTAL GOVERNMENTAL ACTIVITIES	58,470,418	5,483,489	428,442	420,550	6,332,481	(52,137,937)	-	(52,137,937)	-
Business-Type Activities:									
Water and Sewer	10,669,205	12,467,344	-	344,112	12,811,456	-	2,142,251	2,142,251	-
Electric	55,670,376	54,885,848	-	-	54,885,848	-	(784,528)	(784,528)	-
Northeast MS Regional Water Supply Dist.	3,811,558	3,001,614	-	3,587,785	6,589,399	-	2,777,841	2,777,841	-
Solid Waste Management	3,317,948	3,443,352	-	-	3,443,352	-	125,404	125,404	-
TOTAL BUSINESS-TYPE ACTIVITIES	73,469,087	73,798,158	-	3,931,897	77,730,055	-	4,260,968	4,260,968	-
TOTAL PRIMARY GOVERNMENT	\$ 131,939,505	\$ 79,281,647	\$ 428,442	\$ 4,352,447	\$ 84,062,536	\$ (52,137,937)	\$ 4,260,968	\$ (47,876,969)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 4,094,240	\$ 817,640	\$ -	\$ 1,861,687	\$ 2,679,327	\$ -	\$ -	\$ -	\$ (1,414,913)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 6,253,421	\$ -	\$ 6,253,421	\$ -
Property Taxes, Levied for Capital Outlay						4,832,671	-	4,832,671	-
Property Taxes, Levied for Special Revenue						1,246,916	-	1,246,916	-
Property Taxes, Levied for Debt Service						3,653,800	-	3,653,800	-
Sales Taxes						29,064,458	-	29,064,458	-
County Pro Rata Taxes						1,195,690	-	1,195,690	-
Franchise Taxes						406,574	-	406,574	-
In Lieu Taxes						4,380,839	-	4,380,839	-
Gasoline Taxes & Other Taxes						237,427	-	237,427	-
Homestead Reimbursement						560,333	-	560,333	-
Fire Protection Allocation						197,198	-	197,198	-
Investment Earnings						546,986	340,218	887,204	21,575
Gain (Loss) on Disposal of Assets						(46,094)	-	(46,094)	574,170
Miscellaneous						1,810,625	705	1,811,330	55,191
Transfers (to) from Component Units						(4,924,333)	(1,210,623)	(6,134,956)	-
Transfers (to) Internal Service Funds						500,000	-	500,000	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						49,916,511	(869,700)	49,046,811	650,936
CHANGE IN NET POSITION						(2,221,426)	3,391,268	1,169,842	(763,977)
NET POSITION-BEGINNING						123,433,164	134,049,802	257,482,966	31,251,283
NET POSITION-ENDING						\$ 121,211,738	\$ 137,441,070	\$ 258,652,808	\$ 30,487,306

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 15,329,071	\$ 7,806,042	\$ 15,038,319	\$ 38,173,432
Investments	-	-	10,000,942	10,000,942
General Property Taxes Receivable	51,661	-	500,759	552,420
Other Receivable	201,443	35,215	77,879	314,537
Home Grant Receivable	465,000	-	-	465,000
Notes Receivable	-	-	92,438	92,438
Due from Other Funds	2,350,000	-	-	2,350,000
Due from Other Government Units	2,483,985	-	298,711	2,782,696
Due from Component Units	42,782	-	-	42,782
Prepaid Expenses	40,637	-	-	40,637
Inventories	42,761	-	25,970	68,731
TOTAL ASSETS	\$ 21,007,340	\$ 7,841,257	\$ 26,035,018	\$ 54,883,615
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 235,602	\$ 1,112,348	\$ 530,925	\$ 1,878,875
Accrued Expenses	680,964	-	67,589	748,553
Unearned Revenues	271,524	-	943,533	1,215,057
Event Deposits	-	-	9,084	9,084
TOTAL LIABILITIES	1,188,090	1,112,348	1,551,131	3,851,569
<u>FUND BALANCES:</u>				
Nonspendable				
Prepaid Expenses	40,637	-	-	40,637
Inventory	42,761	-	25,970	68,731
Long-Term Receivables	465,000	-	-	465,000
Restricted for				
Library	-	-	74,986	74,986
Tourism Promotion	-	-	3,890,154	3,890,154
Public Safety Retirement	-	-	39,658	39,658
Law Enforcement	-	-	1,738,671	1,738,671
Construction Acquisition of Capital Assets	-	3,392,353	4,443,626	7,835,979
Public Safety Equipment	-	-	187,650	187,650
Debt Service	-	-	12,427,571	12,427,571
Water Reserve	555,016	-	-	555,016
Committed to				
Rental Rehabilitation	-	-	93,422	93,422
Fairpark Infrastructure	-	-	181,790	181,790
Construction Acquisition of Capital Assets	-	3,336,556	155,220	3,491,776
Assigned to				
Coliseum Projects	-	-	231,423	231,423
Coliseum Operations	-	-	768,746	768,746
Transportation	-	-	225,000	225,000
Unassigned	18,715,836	-	-	18,715,836
TOTAL FUND BALANCES	19,819,250	6,728,909	24,483,887	51,032,046
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,007,340	\$ 7,841,257	\$ 26,035,018	\$ 54,883,615

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, 2018**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 51,032,046

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. 179,476,559

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. (63,276,757)

Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. (1,054,739)

Deferred revenues for capital lease receivables deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end. 1,145,000

Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. (45,132,884)

Deferred outflows and inflows related to pensions are applicable to future periods and, therefore are not reported in the Governmental Funds Balance Sheet:

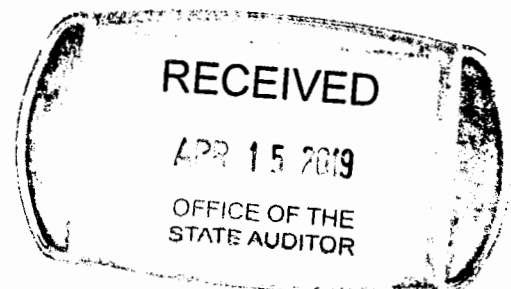
Deferred outflows of resources related to defined benefit pension plan 1,076,320
Deferred inflows of resources related to defined benefit pension plan (2,971,642)

Accrual of court fine revenues to qualify as financial resources. 1,715,131

Premium on bonds issued are deferred and amortized on the statement of net position. (797,296)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 121,211,738

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, 2018

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 7,509,560	\$ -	\$ 9,733,387	\$ 17,242,947
Licenses and Permits	998,613	-	-	998,613
Intergovernmental Revenues	26,619,278	270,150	8,241,044	35,130,472
Charges for Services	785,482	-	3,306,908	4,092,390
Fines and Forfeitures	681,739	-	117,330	799,069
Miscellaneous Revenues	687,547	393,819	1,434,171	2,515,537
TOTAL REVENUES	37,282,219	663,969	22,832,840	60,779,028
EXPENDITURES:				
Current:				
General Government	5,191,241	-	-	5,191,241
Public Safety	17,103,886	-	1,098,726	18,202,612
Public Works	5,111,601	-	-	5,111,601
Culture and Recreation	4,062,886	-	4,835,105	8,897,991
Other Functions	1,133,491	-	4,169,367	5,302,858
Capital Projects	-	11,295,106	4,225,580	15,520,686
Debt Service	793,392	-	5,967,969	6,761,361
TOTAL EXPENDITURES	33,396,497	11,295,106	20,296,747	64,988,350
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	3,885,722	(10,631,137)	2,536,093	(4,209,322)
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(7,457,510)	-	(3,513,606)	(10,971,116)
Transfers from Other Funds	45,353	6,632,390	4,293,373	10,971,116
Transfers from Internal Service Funds	500,000	-	-	500,000
Transfers to Component Units	-	-	(5,261,863)	(5,261,863)
Transfers from Component Units	-	-	337,530	337,530
Proceeds from Debt Issued	-	10,000,000	-	10,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(6,912,157)	16,632,390	(4,144,566)	5,575,667
NET CHANGE IN FUND BALANCES	(3,026,435)	6,001,253	(1,608,473)	1,366,345
FUND BALANCES - Beginning	22,845,685	727,656	26,092,360	49,665,701
FUND BALANCES - Ending	\$ 19,819,250	\$ 6,728,909	\$ 24,483,887	\$ 51,032,046

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,366,345
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.	13,660,493
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	150,400
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.	(8,970,090)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	(9)
Proceeds for lease of building to nonprofit organization reported as lease income on the governmental funds financial statements.	(210,000)
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.	(46,094)
Changes to net pension liability, deferred inflows and deferred outflows are reported in pension expense in the statement of activities but do not provide or require the use of current financial resources; therefore, pension expense related to these changes are not reported as expenditures in the governmental funds.	(3,029,406)
The change in accrued interest payable is reported as an expense on the statement of activities.	(272,667)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,008,005
The proceeds of debt are an other financing source on the governmental funds income statement but are not reported on the statement of activities:	
Proceeds from issuance of bonds and notes payable	(10,000,000)
Decrease in accrual of compensated absences.	<u>18,978</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,221,426)</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2018

	Budget			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 7,423,624	\$ 7,423,624	\$ 7,751,039	\$ 327,415
Licenses and Permits	965,000	965,000	878,577	(86,423)
Intergovernmental Revenues	25,909,020	26,398,873	26,567,857	168,984
Charges for Services	683,000	683,000	785,482	102,482
Fines and Forfeitures	1,115,000	1,119,152	681,739	(437,413)
Miscellaneous Revenues	485,700	589,851	679,675	89,824
TOTAL REVENUES	36,581,344	37,179,500	37,344,369	164,869
EXPENDITURES:				
Current:				
General Government	5,386,911	5,443,689	5,191,241	252,448
Public Safety	16,894,362	17,643,114	17,103,886	539,228
Public Works	5,453,126	5,453,126	5,111,601	341,525
Culture and Recreation	4,192,547	4,218,673	4,062,886	155,787
Other Functions	1,086,228	1,145,728	1,133,491	12,237
Debt Service	598,791	795,791	793,392	2,399
TOTAL EXPENDITURES	33,611,965	34,700,121	33,396,497	1,303,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,969,379	2,479,379	3,947,872	1,468,493
OTHER FINANCING SOURCES (USES):				
Transfers from Internal Service Funds	-	500,000	500,000	-
Transfers from Other Funds	45,353	45,353	45,353	-
Transfers to Other Funds	(3,014,732)	(8,048,694)	(7,457,510)	591,184
TOTAL OTHER FINANCING SOURCES (USES)	(2,969,379)	(7,503,341)	(6,912,157)	591,184
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ -	\$ (5,023,962)	\$ (2,964,285)	\$ 2,059,677

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, 2018

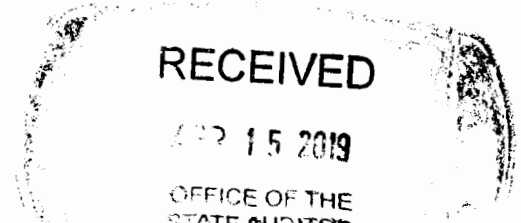
	Budget			Variance with
	Original	Final	Actual	Final Budget (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 800,000	\$ 800,000	\$ 267,550	\$ (532,450)
Other Grants	-	-	2,600	2,600
Miscellaneous Revenues:				
Interest	-	-	87,175	87,175
Donations	-	-	-	-
Other	-	-	355,975	355,975
TOTAL REVENUES	800,000	800,000	713,300	(86,700)
EXPENDITURES:				
Bond Issue Costs	125,000	200,000	200,000	-
Other Services and Charges	3,902,560	3,873,131	2,800,056	1,073,075
Capital Outlay:				
Capital Outlay	9,783,963	13,443,400	8,295,050	5,148,350
TOTAL EXPENDITURES	13,811,523	17,516,531	11,295,106	6,221,425
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,011,523)	(16,716,531)	(10,581,806)	6,134,725
OTHER FINANCING SOURCES (USES):				
Bond and Debt Proceeds	9,750,000	9,825,000	10,000,000	175,000
Transfers from Other Funds	2,508,428	6,617,390	6,632,390	15,000
TOTAL OTHER FINANCING SOURCES (USES)	12,258,428	16,442,390	16,632,390	190,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (753,095)	\$ (274,141)	\$ 6,050,584	\$ 6,324,725

See accompanying notes to financial statements.

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

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
ASSETS					
Current Assets - Unrestricted					
Cash	\$ 9,724,743	\$ 9,857,491	\$ 662	\$ 1,076,365	\$ 20,659,261
Receivables, Net					
Accounts Receivable	6,908,415	-	-	-	6,908,415
Unbilled Revenue	1,560,626	213,552	-	-	1,774,178
Other Receivables	267,792	76,296	-	17,500	361,588
Due from Other Funds	5,024,009	-	-	7,039	5,031,048
Inventories	862,426	52,523	55,994	-	970,943
Prepaid Expenses	62,849	10,824	22,150	-	95,823
Other Current Assets	115,644	-	-	-	115,644
Current Amount of Restricted Assets	-	-	8,478,735	-	8,478,735
Total Current Assets	<u>24,526,504</u>	<u>10,210,686</u>	<u>8,557,541</u>	<u>1,100,904</u>	<u>44,395,635</u>
Restricted Assets					
Cash	-	-	35,470,841	-	35,470,841
Accounts Receivable	-	-	279,481	-	279,481
Intergovernmental Receivable	-	-	652,969	-	652,969
Due from Trustee	-	-	4,164,120	-	4,164,120
Interest Receivable	-	-	144,801	-	144,801
Total Restricted Assets	-	-	40,712,212	-	40,712,212
Current Amounts Above	-	-	(8,478,735)	-	(8,478,735)
Total Non-Current Restricted Assets	-	-	32,233,477	-	32,233,477
Capital Assets					
Plant and Equipment	56,004,664	121,717,943	38,828,232	543,862	217,094,701
Land and Land Rights	333,013	775,109	704,586	-	1,812,708
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	2,024,681	16,516,311	8,164,551	-	26,705,543
Total	58,362,358	145,906,173	47,697,369	543,862	252,509,762
Less: Accumulated Depreciation	30,896,172	51,242,532	22,954,931	424,006	105,517,641
Net Fixed Assets	<u>\$ 27,466,186</u>	<u>\$ 94,663,641</u>	<u>\$ 24,742,438</u>	<u>\$ 119,856</u>	<u>\$ 146,992,121</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2018.



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

-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	\$ 21,925	\$ -	\$ 30,825
Receivable from Customers for Energy Conservation Loans	303,467	-	-	-	303,467
Receivable from CSA	51,389	-	-	-	51,389
Total Other Assets	354,856	8,900	21,925	-	385,681
Total Assets	52,347,546	104,883,227	65,555,381	1,220,760	224,006,914
DEFERRED OUTFLOWS OF RESOURCES	519,585	135,297	3,284	9,568	667,734
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted Current Assets:					
Accounts Payable	5,053,520	564,022	-	212,518	5,830,060
Customer and Other Deposits	2,662,836	677,268	-	-	3,340,104
Accrued Interest	54,576	189,304	-	363	244,243
Accrued Expenses	207,082	-	-	-	207,082
Due to Other Funds	11,566	6,281,821	-	-	6,293,387
Total Payable from Unrestricted Current Assets	7,989,580	7,712,415	-	212,881	15,914,876
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	168,750	-	168,750
Accounts Payable	-	-	88,692	-	88,692
Accrued Payroll and Payroll Taxes	-	-	3,088	-	3,088
Construction / Retainage Payable	-	-	799,013	-	799,013
Bonds, Notes, and Loans Payable	280,000	3,027,244	165,769	-	3,473,013
Total Payable from Restricted Current Assets	280,000	3,027,244	1,225,312	-	4,532,556
Total Current Liabilities	\$ 8,269,580	\$ 10,739,659	\$ 1,225,312	\$ 212,881	\$ 20,447,432

NOTE -- Amounts for the Electric Fund are at June 30, 2018.

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

-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	\$ 5,270,811	\$ 3,770,794	\$ 166,326	\$ 429,030	\$ 9,636,961
Accrued Compensated Absences Due to City of Tupelo	55,830	51,734	-	-	107,564
Water G. O. Bond Fund	-	-	3,540,833	-	3,540,833
Advances from TVA	309,915	-	-	-	309,915
Bonds, Notes, and Loans Payable	<u>6,087,225</u>	<u>46,005,269</u>	<u>386,895</u>	<u>-</u>	<u>52,479,389</u>
Total Long-Term Liabilities	<u>11,723,781</u>	<u>49,827,797</u>	<u>4,094,054</u>	<u>429,030</u>	<u>66,074,662</u>
Total Liabilities	<u>19,993,361</u>	<u>60,567,456</u>	<u>5,319,366</u>	<u>641,911</u>	<u>86,522,094</u>
DEFERRED INFLOWS OF RESOURCES	<u>291,229</u>	<u>386,846</u>	<u>5,015</u>	<u>28,394</u>	<u>711,484</u>
Net Position					
Net Investment in Capital Assets	21,098,961	45,631,128	23,390,761	119,856	90,240,706
Restricted for:					
Capital Projects	5,418,589	-	32,948,463	-	38,367,052
Operations and Debt Service	-	-	3,339,792	-	3,339,792
Plant Expansion Project	-	-	454,537	-	454,537
Unrestricted (Deficit)	<u>6,064,991</u>	<u>(1,566,906)</u>	<u>100,731</u>	<u>440,167</u>	<u>5,038,983</u>
Total Net Position	<u>\$ 32,582,541</u>	<u>\$ 44,064,222</u>	<u>\$ 60,234,284</u>	<u>\$ 560,023</u>	<u>\$ 137,441,070</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2018.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2018

	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	\$ 53,924,471	\$ 12,225,936	\$ 3,001,614	\$ 3,118,352	\$ 72,270,373
Rents	345,237	139,346	-	-	484,583
Other Revenues	616,140	102,062	-	325,000	1,043,202
Total Operating Revenues	54,885,848	12,467,344	3,001,614	3,443,352	73,798,158
OPERATING EXPENSES					
General and Administrative	1,512,197	708,885	193,266	-	2,414,348
Power Purchased	46,487,105	-	-	-	46,487,105
Transmission Mains	-	1,124,906	-	-	1,124,906
Water Operations	-	1,473,286	2,466,634	-	3,939,920
Sewer Operations	-	2,684,414	-	-	2,684,414
Electric Operations	663,189	-	-	-	663,189
Sanitation Operations	-	-	-	3,275,549	3,275,549
Customer Accounting and Collecting	537,883	758,781	-	-	1,296,664
Customer Service and Information	40,154	-	-	-	40,154
Maintenance and Repair	871,520	-	-	-	871,520
Sales Expense	42,340	-	-	-	42,340
Taxes and Equivalents	3,323,057	-	-	-	3,323,057
Amortization and Depreciation	1,931,895	2,741,230	1,132,452	29,525	5,835,102
Total Operating Expenses	55,409,340	9,491,502	3,792,352	3,305,074	71,998,268
Net Operating Income	(523,492)	2,975,842	(790,738)	138,278	1,799,890
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	115,647	74,765	140,001	9,805	340,218
Bad Debts	-	(16,700)	-	(12,874)	(29,574)
Interest Expense	(54,576)	(840,100)	(19,206)	-	(913,882)
Bond Issuance Cost	(206,460)	(320,903)	-	-	(527,363)
Miscellaneous Income	-	-	705	-	705
Total Non-operating Revenues (Expenses)	(145,389)	(1,102,938)	121,500	(3,069)	(1,129,896)
Income (Loss) before Operating Transfers	\$ (668,881)	\$ 1,872,904	\$ (669,238)	\$ 135,209	\$ 669,994

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2018.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS

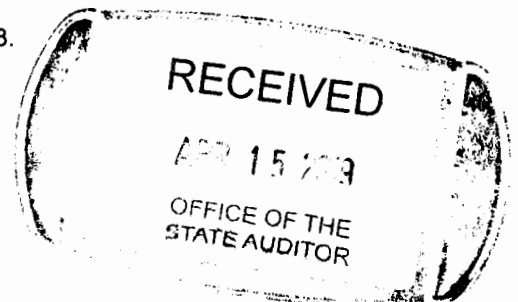
For the year ended September 30, 2018

-Continued-

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District for Debt Service	\$ -	\$ (1,210,623)	\$ -	\$ -	\$ (1,210,623)
Total Operating Transfers In (Out)	-	(1,210,623)	-	-	(1,210,623)
Increase (Decrease) in Net Assets Before Capital Contributions	(668,881)	662,281	(669,238)	135,209	(540,629)
Capital Grants and Contributions	-	344,112	3,587,785	-	3,931,897
Change in Net Position	(668,881)	1,006,393	2,918,547	135,209	3,391,268
TOTAL NET POSITION -					
Beginning of Year	33,251,422	43,057,829	57,315,737	424,814	134,049,802
TOTAL NET POSITION -					
End of Year	\$ 32,582,541	\$ 44,064,222	\$ 60,234,284	\$ 560,023	\$ 137,441,070

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2018.

See accompanying notes to financial statements.



CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2018

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 54,012,359	\$ 12,473,143	\$ 2,987,785	\$ 3,430,478	\$ 72,903,765
Payments to Suppliers	(46,330,850)	(5,201,327)	(2,592,030)	(2,981,604)	(57,105,811)
Payments to Employees	(2,075,240)	(1,524,148)	(76,495)	(249,316)	(3,925,199)
Payments for Other Services and Charges	(4,045,183)	-	-	-	(4,045,183)
Other Receipts (Payments)	32,761	45,511	-	(17,500)	60,772
Net Cash Provided by (Used in) Operating Activities	1,593,847	5,793,179	319,260	182,058	7,888,344
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	705	-	705
Due To (From) Municipality	(5,034,127)	3,881,821	-	20,430	(1,131,876)
Transfers In (Out)	-	(1,210,623)	-	-	(1,210,623)
Net Cash Provided by (Used In) Noncapital Financing Activities	(5,034,127)	2,671,198	705	20,430	(2,341,794)
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	344,112	5,176,621	-	5,520,733
Proceeds from Bonds and Notes Payable	6,367,225	12,889,808	-	-	19,257,033
Bond Premium	-	976,351	-	-	976,351
Bond Issue Costs	(206,460)	(320,903)	-	-	(527,363)
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(161,250)	-	(161,250)
Payments for Debt	-	(2,494,121)	(160,876)	-	(2,654,997)
Purchase of Capital Assets	(3,079,426)	(12,692,972)	(2,696,017)	-	(18,468,415)
Cost of Removal of Fixed Assets, Net of Salvage	(113,014)	-	-	-	(113,014)
Conservation Advances from TVA	(89,546)	-	-	-	(89,546)
Interest Paid	-	(685,723)	(19,206)	-	(704,929)
Net Cash Provided by (Used In) Capital and Related Financing Activities	2,878,779	(1,983,448)	2,139,272	-	3,034,603
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	82,046	-	-	-	82,046
(Increase) Decrease in Receivable from CSA	(3,175)	-	-	-	(3,175)
Interest and Dividends	115,647	74,765	97,380	9,805	297,597
Net Cash Provided by (Used In) Investing Activities	194,518	74,765	97,380	9,805	376,468
Net Increase (Decrease) In Cash and Cash Equivalents	(366,983)	6,555,694	2,556,617	212,293	8,957,621
Cash and Cash Equivalents--Beginning	10,091,726	3,301,797	32,914,886	864,072	47,172,481
Cash and Cash Equivalents--Ending	\$ 9,724,743	\$ 9,857,491	\$ 35,471,503	\$ 1,076,365	\$ 56,130,102

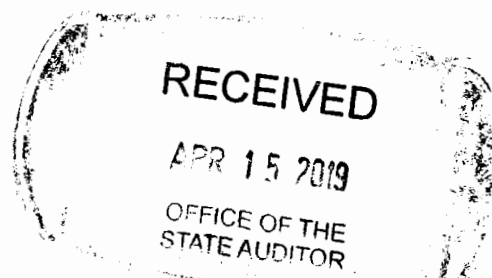
NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2018.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2018

	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)	\$ (523,492)	\$ 2,975,842	\$ (790,738)	\$ 138,278	\$ 1,799,890
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	1,931,895	2,741,230	1,132,452	29,525	5,835,102
Net Pension Expense	552,144	311,417	4,018	16,626	884,205
Provision for Uncollectible Accounts	(40,995)	(16,700)	-	(12,874)	(70,569)
Decrease (Increase) in Assets:					
Accounts Receivable	(620,948)	-	(13,829)	-	(634,777)
Unbilled Revenue	(150,017)	25,733	-	-	(124,284)
Other Receivables	(23,237)	(3,234)	-	(17,500)	(43,971)
Inventory	19,851	(7,023)	(12,509)	-	319
Prepaid Expenses	(3,585)	22,040	880	-	19,335
Other Current Assets	(5,531)	-	(7,103)	-	(12,634)
Increase (Decrease) in Liabilities:					
Accounts Payable	396,566	(279,828)	6,013	28,003	150,754
Customer and Other Deposits	23,660	23,471	-	-	47,131
Accrued Expenses	37,536	231	76	-	37,843
Total Adjustments	2,117,339	2,817,337	1,109,998	43,780	6,088,454
Net Cash Provided by (Used in) Operating Activities	\$ 1,593,847	\$ 5,793,179	\$ 319,260	\$ 182,058	\$ 7,888,344

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2018.

See accompanying notes to financial statements.



**CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2018**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 711,869
Investments	<u>500</u>
TOTAL ASSETS	\$ <u>712,369</u>
 LIABILITIES	
Accounts Payable	\$ 51,520
Due to Complainants	6,964
Due to Arts Committee	744
Due to Insured Employees	481,763
Seized Money Held	<u>171,378</u>
TOTAL LIABILITIES	\$ <u>712,369</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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.

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CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Component Units

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

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

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

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

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

Presented As

Tupelo Public
Improvement
Corporation

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

Debt Service
Fund

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

Northeast
Mississippi
Regional Water
Supply District
(Water District)

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

Enterprise
Fund

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

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NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

LONG-TERM DEBT AND BOND DISCOUNTS / PREMIUMS

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

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

FIXED ASSETS

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

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

ENCUMBRANCES

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

CASH AND INVESTMENTS

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

INVENTORIES

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

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

LOANS TO OTHER FUNDS OR OTHER GOVERNMENTAL UNITS

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

CASH EQUIVALENTS

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

FUND BALANCES / NET POSITION

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

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

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

FUND BALANCES / NET POSITION – continued

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

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

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

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

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

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

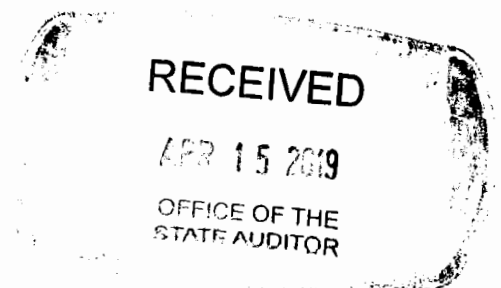
RESTRICTED ASSETS

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

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

TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS - OVERVIEW

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



CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018, consist of allocations of general property ad valorem taxes of \$778,067 and homestead exemption reimbursement of \$27,784 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	\$ <u>5,539,398</u>
Assumed Rate of Return Used in Plan Evaluation	7.75%
Plan Evaluation Date	June 30, 2018
Plan Assets Available for Benefits as of June 30, 2018	\$ <u>5,506,000</u>

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 3 - BUDGETARY BASIS

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

- (1) The Mayor and City Council formulate the budget policy at the May board meeting.
- (2) Department budget requests are prepared by the appropriate people and submitted by the July board meeting.
- (3) A proposed budget is presented at the August meeting and a notice of public budget hearings and availability of the budget for inspection is published.
- (4) Between August 15th-30th a public hearing is held and the budget is adopted. The anticipated tax levy is reviewed to determine whether public notice is required on any levy.
- (5) Between September 1st-15th the budget must be adopted and the tax levy set.
- (6) Between September 1st-30th, in accordance with the City's population, the budget must be published in a municipal newspaper.
- (7) And, between September 15th-30th the budget as adopted should be written up, filed with the municipal clerk and public notice given of the availability of the budget for inspection. Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.
- (8) Further, budgets are used as management control devices in the General Debt Service and Proprietary Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except the Proprietary Fund recognizes all expenditures for debt as expense and no depreciation expense is recognized.

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018 is as follows:

	<u>City</u>	<u>TPSD</u>
Real Property	\$ 344,770,600	\$ 11,823,562
Personal Property - Other Than Motor Vehicles & Mobile Homes	89,805,600	30,125,495
Personal Property - Motor Vehicles & Mobile Homes	<u>59,071,800</u>	<u>4,277,521</u>
	<u>\$ 493,648,000</u>	<u>\$ 46,226,578</u>

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:

	<u>City</u>	<u>TPSD</u>
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	<u>0.00</u>	<u>55.00</u>
	<u>32.47</u>	<u>64.10</u>

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CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018:

	<u>Balance Oct. 1, 2017</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 12,456,088	\$ 20,000	\$ -	\$ 12,476,088
Construction in Progress	<u>6,776,122</u>	<u>11,270,782</u>	<u>(7,405,754)</u>	<u>10,641,150</u>
Total Capital Assets, not being Depreciated:	19,232,210	11,290,782	(7,405,754)	23,117,238
Capital Assets being Depreciated:				
Buildings and Improvements	101,953,102	1,900,771	6,688,584	110,542,457
Machinery and Equipment	25,732,260	619,340	250,466	26,602,066
Infrastructure	<u>139,740,699</u>	<u>-</u>	<u>-</u>	<u>139,740,699</u>
Total Capital Assets, being Depreciated	267,426,061	2,520,111	6,939,050	276,885,222
Less Accumulated Depreciation for:				
Buildings and Improvements	(23,829,313)	(2,660,473)	-	(26,489,786)
Machinery and Equipment	(18,031,055)	(1,688,077)	420,610	(19,298,522)
Infrastructure	<u>(70,116,053)</u>	<u>(4,621,540)</u>	<u>-</u>	<u>(74,737,593)</u>
Total Accumulated Depreciation	<u>(111,976,421)</u>	<u>(8,970,090)</u>	<u>420,610</u>	<u>(120,525,901)</u>
Total Governmental Activities				
Capital Assets, net	<u>\$ 174,681,850</u>	<u>\$ 4,840,803</u>	<u>\$ (46,094)</u>	<u>\$ 179,476,559</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 5 - FIXED ASSETS – continued

	<u>Balance Oct. 1, 2017</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2018</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,767,958	\$ 44,750	\$ -	\$ 1,812,708
Construction in Progress	11,109,919	16,069,907	(474,283)	26,705,543
Total Capital Assets, not being Depreciated:	12,877,877	16,114,657	(474,283)	28,518,251
Capital Assets being Depreciated:				
Buildings and Improvements	204,149,860	2,480,010	(46,252)	206,583,618
Machinery and Equipment	16,435,765	1,021,353	(49,225)	17,407,893
Total Capital Assets, being Depreciated	220,585,625	3,501,363	(95,477)	223,991,511
Less Accumulated Depreciation for:				
Buildings and Improvements	(86,430,722)	(5,160,680)	119,160	(91,472,242)
Machinery and Equipment	(13,316,270)	(674,422)	(54,707)	(14,045,399)
Total Accumulated Depreciation	(99,746,992)	(5,835,102)	64,453	(105,517,641)
Total Business-Type Activities				
Capital Assets, net	\$ <u>133,716,510</u>	\$ <u>13,780,918</u>	\$ <u>(505,307)</u>	\$ <u>146,992,121</u>
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	51,700	-	(51,700)	-
Total Capital Assets, not being Depreciated:	6,150,749	-	(51,700)	6,099,049
Capital Assets being Depreciated:				
Buildings and Improvements	50,293,937	90,135	(363,750)	50,020,322
Machinery and Equipment	1,715,499	32,142	(458,303)	1,289,338
Total Capital Assets, being Depreciated	52,009,436	122,277	(822,053)	51,309,660
Less Accumulated Depreciation for:				
Buildings and Improvements	(24,568,001)	(1,271,637)	258,752	(25,580,886)
Machinery and Equipment	(1,477,806)	(38,583)	387,615	(1,128,774)
Total Accumulated Depreciation	(26,045,807)	(1,310,220)	646,367	(26,709,660)
Total Component Unit				
Capital Assets, net	\$ <u>32,114,378</u>	\$ <u>(1,187,943)</u>	\$ <u>(227,386)</u>	\$ <u>30,699,049</u>
Total Capital Assets	\$ <u>340,512,738</u>	\$ <u>17,433,778</u>	\$ <u>(778,787)</u>	\$ <u>357,167,729</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 5 - FIXED ASSETS – continued

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

Governmental Activities:	
General Government	\$ 1,180,517
Public Safety	1,024,974
Public Works	5,462,333
Culture and Recreation	<u>1,302,266</u>
Total Depreciation Expense - Governmental Activities	\$ <u>8,970,090</u>
Business-Type Activities:	
Electric Department	\$ 1,931,895
Water and Sewer	2,741,230
Northeast Mississippi Regional Water Supply District	1,132,452
Solid Waste	<u>29,525</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>5,835,102</u>
Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,310,220</u>

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 Special Obligation, 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, 2018 notes payable balance and are included in both governmental activities and business-type activities. Thirteen of the loans are in repayment status with a total outstanding balance of \$46,539,546. The remaining in progress note totals \$6,878,666.

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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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
2019	\$ 4,631,613	\$ 35,000	\$ 45,000	\$ 401,877	\$ 2,069,524	\$ 7,183,014
2020	4,176,613	35,000	50,000	413,100	1,759,776	6,434,489
2021	4,321,935	-	50,000	424,638	1,616,428	6,413,001
2022	4,550,484	-	55,000	436,500	1,452,152	6,494,136
2023	3,200,000	-	55,000	448,695	1,281,302	4,984,997
2024 - 2028	15,495,046	-	60,000	2,183,645	4,632,962	22,371,653
2029 - 2033	13,905,000	-	-	1,683,514	1,909,669	17,498,183
2034 - 2038	<u>5,875,000</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>207,136</u>	<u>6,082,136</u>
Total	\$ <u>56,155,691</u>	\$ <u>70,000</u>	\$ <u>315,000</u>	\$ <u>5,991,969</u>	\$ <u>14,928,949</u>	\$ <u>77,461,609</u>

Business-Type Activities						
Year Ending September 30,	General Obligation	Special Obligation	Notes Payable	State Revolving Loans	Interest	Total
2019	\$ 148,387	\$ 715,000	\$ 2,443,857	\$ 165,769	\$1,018,627	\$ 4,491,640
2020	148,387	765,000	2,489,240	170,812	932,719	4,506,158
2021	158,065	780,000	2,535,497	156,661	861,429	4,491,652
2022	164,470	805,000	2,582,648	59,422	788,598	4,400,138
2023	-	830,000	2,630,710	-	717,014	4,177,724
2024-2028	-	4,735,000	11,466,157	-	2,524,052	18,725,209
2029-2033	-	6,045,000	4,730,896	-	1,052,165	11,828,061
2034-2038	<u>-</u>	<u>-</u>	<u>2,733,571</u>	<u>-</u>	<u>80,613</u>	<u>2,814,184</u>
Total	\$ <u>619,309</u>	\$ <u>14,675,000</u>	\$ <u>31,612,576</u>	\$ <u>552,664</u>	\$ <u>7,975,217</u>	\$ <u>55,434,766</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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	\$50,418,710	\$10,000,000	\$ 4,263,019	\$56,155,691	\$4,631,613
Special Assessment						
General Obligation	Debt Service	100,000	-	30,000	70,000	35,000
Limited Obligations						
Tax Increment	Debt Service	415,000	-	100,000	315,000	45,000
Notes Payable	General	6,606,955	-	614,986	5,991,969	401,877
Premium		<u>899,915</u>	<u>-</u>	<u>102,619</u>	<u>797,296</u>	<u>-</u>
Total Governmental Activities		<u>\$58,440,580</u>	<u>\$10,000,000</u>	<u>\$ 5,110,624</u>	<u>\$63,329,956</u>	<u>\$5,113,490</u>

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
General Obligation	Water/Sewer	\$ 761,290	\$ -	\$ 141,981	\$ 619,309	\$ 148,387
Special Obligation Bonds	Water/Sewer	-	8,935,000	-	8,935,000	435,000
Special Obligation Bonds	Electric*	-	5,740,000	-	5,740,000	280,000
Notes Payable	Water/Sewer	36,888,574	3,954,808	2,352,140	38,491,242	2,443,857
State Revolving Loan	NEMSRWSD	713,540	-	160,876	552,664	165,769
Premium		<u>80,587</u>	<u>1,603,576</u>	<u>69,976</u>	<u>1,614,187</u>	<u>-</u>
Total Business-Type Activities		<u>\$38,443,991</u>	<u>\$20,233,384</u>	<u>\$ 2,724,973</u>	<u>\$55,952,402</u>	<u>\$3,473,013</u>

*Amounts for Electric Fund are at June 30, 2018.

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CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	205,833	134,656	340,489
2024 - 2028	1,192,917	532,222	1,725,139
2029 - 2033	1,525,417	235,111	1,760,528
2034 - 2035	56,250	2,672	58,922
	<u>\$ 3,709,583</u>	<u>\$ 1,518,716</u>	<u>\$ 5,228,299</u>

NOTES PAYABLE - AIRPORT AUTHORITY

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

	<u>2018</u>
Due to MDA	\$ 107,376
Less Current Portion	<u>20,225</u>
Long-Term Portion	<u>\$ 87,151</u>

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	20,225	3,221	23,446
2020	20,832	2,614	23,446
2021	21,456	1,990	23,446
2022	22,100	1,346	23,446
2023	<u>22,763</u>	<u>684</u>	<u>23,447</u>
	<u>\$ 107,376</u>	<u>\$ 9,855</u>	<u>\$ 117,231</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018:

<u>Year Ending September 30,</u>	
2019	\$ 285,847
2020	252,217
2021	253,141
2022	219,993
2023	221,493
2024 – 2028	1,130,631
2029 - 2033	397,614
Total Minimum Future Rentals	\$ <u>2,760,936</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$303,467 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, 2018 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,350,000	\$ -
Proprietary Funds:		
Electric Fund	3,931,821	7,039
Water and Sewer Fund	-	6,281,821
Solid Waste Management Fund	<u>7,039</u>	<u>-</u>
Total	<u>\$ 6,288,860</u>	<u>\$ 6,288,860</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 10 - NONCURRENT ASSETS

The following receivables at September 30, 2018 were not received within sixty days after that date and, therefore, are not deemed to constitute available spendable resources and are not a component of net current assets:

Rental Rehabilitation Fund (a Special Revenue Fund)	
Notes Receivables	\$ <u>92,438</u>
General Fund	
Home Grant Receivable	\$ <u>465,000</u>

NOTE 11 - CONTRIBUTED CAPITAL

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN

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

Benefits Provided - For the cost-sharing plan participating members who are vested and retire at or after age 60 or those retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% 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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018 was as follows:

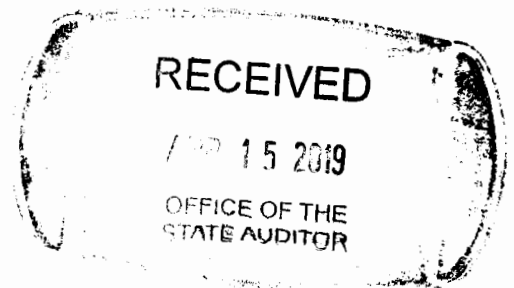
Inactive Members or Beneficiaries Currently Receiving Benefits	104,973
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,578
Inactive Members Assumed Not to Receive Service Retirement Benefits	52,763
Active Members	150,687
Total	<u>325,001</u>

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

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

Contributions - The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of 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, 2018). Separate employer contributions and employer allocation percentages are required for each of these entities.



CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018, the City of Tupelo's total payroll for all employees was \$18,124,767. Total covered payroll was \$16,638,298.

For the year ended September 30, 2018, the Coliseum Project Fund's total payroll for all employees was \$1,202,334. Total covered payroll was \$854,965.

For the year ended September 30, 2018, the Water District's total payroll for all employees was \$61,937. Total covered payroll was also \$61,937.

For the year ended September 30, 2018, the Tupelo Airport Authority's total payroll for all employees was \$372,161. Total covered payroll was \$348,787.

For the year ended September 30, 2018, the Water and Sewer Fund's total payroll for all employees was \$1,524,379. Total covered payroll was \$1,448,571.

For the year ended June 30, 2018, the Electric Fund's total payroll for all employees was \$2,098,900. Total covered payroll was \$2,065,238.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the City of Tupelo reported a liability of \$43,336,374 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 \$2,225,540 for its proportionate share. The Water District reported \$166,326, the Tupelo Airport Authority reported \$895,685, and the Water and Sewer Fund reported \$3,770,794. The Electric Fund as of June 30, 2018 reported a liability of \$5,270,811 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2018, and the total pension liability 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, 2018, the City of Tupelo's proportion was 0.26055 percent. At June 30, 2018, the proportionate share for the Coliseum Project Fund was 0.01339 percent. At June 30, 2018, the proportionate share for the Water District was 0.0010 percent. At June 30, 2018, the proportionate share for the Tupelo Airport Authority was 0.00539 percent. At June 30, 2018, the proportionate share for the Water and Sewer Fund was 0.02268 percent.

For the Electric Fund, 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. At June 30, 2017, the Electric Fund's proportion was 0.03171 percent.

For the year ended September 30, 2018, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$2,897,408. At September 30, 2018, the City of Tupelo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 189,984	\$ 182,684
Net Difference Between Projected and Actual Investment Earnings	-	861,469
City Pension Contributions Subsequent to the Measurement Date	712,476	-
Changes of Assumptions	25,575	23,934
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	38,457	1,800,015
Total	<u>\$ 966,492</u>	<u>\$ 2,868,102</u>

The \$712,476 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ (523,394)
2020	(661,395)
2021	(1,234,410)
2022	(194,887)
Total	<u>\$ (2,614,086)</u>

For the year ended September 30, 2018, the Coliseum Project Fund recognized pension expense of \$148,624. At September 30, 2018, 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	\$ 9,762	\$ 9,387
Net Difference Between Projected and Actual Investment Earnings	-	44,266
Coliseum Pension Contributions Subsequent to the Measurement Date	38,279	-
Changes of Assumptions	1,314	1,230
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	70,041	77,051
Total	<u>\$ 119,396</u>	<u>\$ 131,934</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$38,279 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ (9,671)
2020	2,846
2021	(33,977)
2022	(10,015)
Total	\$ <u>(50,817)</u>

For the year ended September 30, 2018, the Water District recognized pension expense of \$13,773. At September 30, 2018, 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	\$ 729	\$ 701
Net Difference Between Projected and Actual Investment Earnings	-	4,222
Water District Pension Contributions Subsequent to the Measurement Date	2,457	-
Changes of Assumptions	98	92
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	-
Total	\$ <u>3,284</u>	\$ <u>5,015</u>

The \$2,457 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ 1,357
2020	(771)
2021	(4,026)
2022	(748)
Total	\$ <u>(4,188)</u>

For the year ended September 30, 2018, the Tupelo Airport Authority recognized pension expense of \$30,104. At September 30, 2018, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,927	\$ 3,776
Net Difference Between Projected and Actual Investment Earnings	-	17,805
TAA's Pension Contributions Subsequent to the Measurement Date	13,059	-
Changes of Assumptions	528	495
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	64,992	49,719
Total	\$ <u>82,506</u>	\$ <u>71,795</u>

The \$13,059 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ 28,905
2020	3,693
2021	(30,918)
2022	(4,028)
Total	\$ <u>(2,348)</u>

For the year ended September 30, 2018, the Water and Sewer Fund recognized pension expense of \$311,417. At September 30, 2018, 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	\$ 16,540	\$ 15,905
Net Difference Between Projected and Actual Investment Earnings	-	75,001
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	63,432	-
Changes of Assumptions	2,227	2,084
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	53,098	293,856
Total	\$ <u>135,297</u>	\$ <u>386,846</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$63,432 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ (74,178)
2020	(81,850)
2021	(141,986)
2022	(16,967)
Total	\$ <u>(314,981)</u>

For the year ended June 30, 2018, the Electric Fund recognized pension expense of \$552,144. At June 30, 2018, the Electric Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

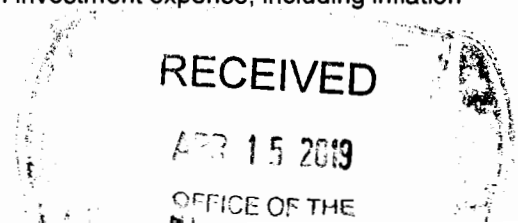
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 75,725	\$ 106,133
Electric Fund Pension Contributions Subsequent to the Measurement Date	325,275	-
Changes of Assumptions	117,150	8,981
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	1,435	176,115
Total	\$ <u>519,585</u>	\$ <u>291,229</u>

The \$325,275 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ (2,266)
2020	17,066
2021	(9,907)
2022	(101,812)
Total	\$ <u>(96,919)</u>

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

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



CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Actuarial Assumptions - The Electric Fund 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

Mortality rates for June 30, 2018 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, 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.

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

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 and June 30, 2017, 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 former employer

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

contribution rate (15.75%) through June 30, 2019 and at the current contribution rate (17.40%) thereafter. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of 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, 2018 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%	\$ 57,061,570
Current Discount Rate	7.75%	43,336,374
1% Increase	8.75%	32,687,110
	Discount Rate	Coliseum Project Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 2,932,086
Current Discount Rate	7.75%	2,225,540
1% Increase	8.75%	1,679,614
	Discount Rate	Northeast MS Regional Water District's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 219,009
Current Discount Rate	7.75%	166,326
1% Increase	8.75%	122,547
	Discount Rate	Tupelo Airport Authority's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 1,179,361
Current Discount Rate	7.75%	895,685
1% Increase	8.75%	659,914
	Discount Rate	Water and Sewer Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 4,967,914
Current Discount Rate	7.75%	3,770,794
1% Increase	8.75%	2,845,817

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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%	\$ 6,913,021
Current Discount Rate	7.75%	5,270,811
1% Increase	8.75%	3,907,420

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

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

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund	\$ 7,457,510	\$ 545,353
Special Revenue Funds:		
CVB Fund	1,410,807	-
Coliseum Project Fund	2,057,446	1,915,120
Coliseum Operating Fund	-	746,246
Narcotics Fund	45,353	-
Transportation Fund	-	225,000
Debt Service Funds:		
City Bond and Interest Fund	-	1,407,007
Capital Projects Funds:		
City Infrastructure Fund	-	6,632,390
Agency Funds:		
Insurance Reserve Fund	500,000	-
Total	<u>\$ 11,471,116</u>	<u>\$ 11,471,116</u>
<u>Fund</u>	<u>Transfers to Blended Component Unit</u>	<u>Transfers from Blended Component Unit</u>
Debt Service Fund:		
Water G.O. Bond Fund	\$ 5,261,863	\$ 337,530
Enterprise Fund:		
Water and Sewer Fund	1,210,623	-
Total	<u>\$ 6,472,486</u>	<u>\$ 337,530</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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	\$ 337,530
Transfers to Water District reported as Water Sales by Water District	(1,210,623)
Transfer to Water District reported as Contributed Capital by Water District	<u>(5,261,863)</u>
Difference	\$ <u>(6,134,956)</u>

NOTE 14 - INVESTMENTS WITH FINANCIAL INSTITUTIONS

Investments held during the fiscal year consisted only of the types of investments held at the end of the fiscal year. Investments made by the City that are included on the combined balance sheet at September 30, 2018, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

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

<u>Investment Type</u>	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
U. S. Government Securities Funds*		X		\$ <u>10,001,442</u>	\$ <u>10,001,442</u>
Total Investments				\$ <u>10,001,442</u>	\$ <u>10,001,442</u>

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

NOTE 15 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2018, 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, 2018, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2018, for the Electric Fund and has been reflected in these financial statements.



CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 \$100,696 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 \$9,370,507 to reflect the provision for uncollectible fines.

NOTE 17 - SOLID WASTE DISPOSAL SERVICE AGREEMENT

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

NOTE 18 - SOLID WASTE MANAGEMENT FUND

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

NOTE 19 - GENERAL OBLIGATION WATER BONDS

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018 was \$1,210,623.

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, 2018, was \$4,164,120, which is reported as Due From Trustee.

NOTE 21 - RISK MANAGEMENT

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

Risk of loss related to workers compensation for injuries to City employees is covered through the Mississippi Municipal Workers Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers compensation and employers liability coverage. The City pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018 (its year-end) of \$6,409,034. This represented approximately 11.7% of the Department's revenues for the year.

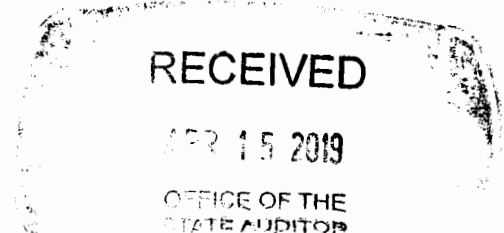
NOTE 24 - USE OF ESTIMATES

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).



CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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.

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>City Infrastructure Fund</u>
Budget (Cash Basis)	\$ (2,964,285)	\$ 6,050,584
Increase (Decrease) Net adjustments for revenue accruals	<u>(62,150)</u>	<u>(49,331)</u>
GAAP Basis	\$ <u><u>(3,026,435)</u></u>	\$ <u><u>6,001,253</u></u>

NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2018</u>	<u>Remaining Commitment at September 30, 2018</u>
General City	Ballard Park Baseball Complex	\$ 1,559,278	\$ 1,050,151	\$ 509,127
General City	Fairpark Infrastructure	2,064,497	1,880,117	184,380
General City	HVAC System	<u>4,987,649</u>	<u>4,865,416</u>	<u>122,233</u>
		\$ <u><u>8,611,424</u></u>	\$ <u><u>7,795,684</u></u>	\$ <u><u>815,740</u></u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>245,000</u>	<u>8,885</u>	<u>253,885</u>
Total	\$ <u>1,145,000</u>	\$ <u>127,817</u>	\$ <u>1,272,817</u>

NOTE 28 - TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had eighty-one tax abatement agreements with twenty-three entities as of September 30, 2018.

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

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

All twenty-three entities had tax abatements listed under the above listed statutes.

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$989,324

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

NOTE 29 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 28, 2019, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the four years ended September 30, 2018*

	2018	2017	2016	2015
City of Tupelo's proportion of net pension liability (%)	0.26055 %	0.25163 %	0.24688 %	0.24395 %
City of Tupelo's proportionate share of net pension liability	\$ 43,336,374	\$ 41,829,447	\$ 44,099,290	\$ 37,934,001
City of Tupelo's covered employee payroll	\$ 16,638,298	\$ 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 (%)	260.46 %	259.13 %	273.57 %	246.52 %
Coliseum Project Fund's proportion of net pension liability (%)	0.01339 %	0.01201 %	0.01180 %	0.01220 %
Coliseum Project Fund's proportionate share of net pension liability	\$ 2,225,540	\$ 1,996,802	\$ 2,114,562	\$ 1,885,789
Coliseum Project Fund's covered employee payroll	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435
Coliseum Project Fund's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	260.31 %	259.14 %	267.78 %	250.30 %
Water District's proportion of net pension liability (%)	0.00100	0.00100	0.00100 %	0.00100 %
Water District's proportionate share of net pension liability	\$ 166,326	\$ 166,232	\$ 178,624	\$ 154,580
Water District's covered employee payroll	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200
Water District's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	268.54 %	275.62 %	304.94 %	270.25 %
TAA's proportion of net pension liability (%)	0.00539	0.00565	0.00458 %	0.00528 %
TAA's proportionate share of net pension liability	\$ 895,685	\$ 938,557	\$ 818,460	\$ 815,566
TAA's covered employee payroll	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616
TAA's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	256.80 %	273.59 %	264.75 %	259.23 %
Water and Sewer Fund's proportion of net pension liability (%)	0.02268	0.02203	0.02119 %	0.02120 %
Water and Sewer Fund's proportionate share of net pension liability	\$ 3,770,794	\$ 3,662,767	\$ 3,784,849	\$ 3,273,406
Water and Sewer Fund's covered employee payroll	\$ 1,448,571	\$ 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 (%)	260.31 %	259.13 %	273.15 %	245.66 %
**Electric Fund's proportion of net pension liability (%)	0.03171	0.03049	0.03047 %	0.03201 %
Electric Fund's proportionate share of net pension liability	\$ 5,270,811	\$ 5,446,490	\$ 4,560,118	\$ 3,580,761
Electric Fund's covered employee payroll	\$ 2,065,238	\$ 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 (%)	255.22 %	262.60 %	231.74 %	188.09 %
Plan fiduciary net position as a percentage of total pension liability	62.54 %	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, 2018.

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CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Contributions
For the five years ended September 30, 2018*

	2018	2017	2016	2015	2014
City of Tupelo					
Statutorily required contributions	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Contributions in relation to statutorily required contributions	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Tupelo's covered employee payroll	\$ 16,638,298	\$ 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 %	15.75 %
Coliseum Project Fund					
Statutorily required contributions	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Contributions in relation to statutorily required contributions	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Coliseum's covered employee payroll	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435	\$ 777,162
Contributions as a percentage of covered employee payroll	15.75	15.75 %	15.75 %	15.75 %	15.75 %
Water District					
Statutorily required contributions	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Contributions in relation to statutorily required contributions	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Water District's covered employee payroll	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200	\$ 56,610
Contributions as a percentage of covered employee payroll	15.75	15.75 %	15.75 %	15.75 %	15.75 %
Tupelo Airport Authority					
Statutorily required contributions	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Contributions in relation to statutorily required contributions	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Tupelo Airport Authority's covered employee payroll	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616	\$ 344,133
Contributions as a percentage of covered employee payroll	15.75	15.75 %	15.75 %	15.75 %	15.75 %
Water and Sewer Fund					
Statutorily required contributions	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Contributions in relation to statutorily required contributions	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer Fund's covered employee payroll	\$ 1,448,571	\$ 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 %	15.75 %
Electric Fund**					
Statutorily required contributions	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Contributions in relation to statutorily required contributions	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Department's covered employee payroll	\$ 2,065,238	\$ 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 %	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, 2018.

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

Changes of Assumptions

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

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

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

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

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

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

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

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

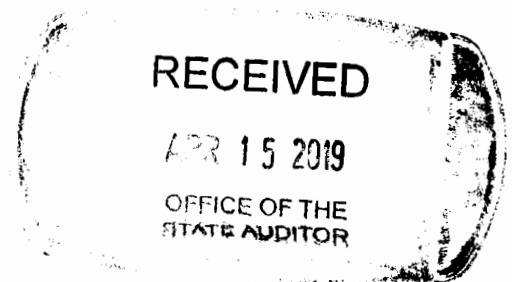
Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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

Changes of Benefit Provisions

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS



CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017
-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
OTHER FINANCING SOURCES (USES)										
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 1,915,120	\$ -	\$ 746,246	\$ -	\$ 225,000	\$ 2,886,366	\$ 3,104,619
Transfers to Other Funds	-	(1,410,807)	-	(2,057,446)	-	-	(45,353)	-	(3,513,606)	(3,650,045)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,410,807)	-	(142,326)	-	746,246	(45,353)	225,000	(627,240)	(545,426)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	1,202	(646,023)	(19,001)	(132,808)	(14,114)	37,693	(78,538)	225,000	(626,589)	(50,583)
FUND BALANCES - Beginning of Year	73,784	4,536,177	58,659	364,231	107,536	757,023	1,817,209	-	7,714,619	7,765,202
FUND BALANCES - End of Year	\$ 74,986	\$ 3,890,154	\$ 39,658	\$ 231,423	\$ 93,422	\$ 794,716	\$ 1,738,671	\$ 225,000	\$ 7,088,030	\$ 7,714,619



CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2018
With Comparative Totals for September 30, 2017

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2018	9/30/2017
ASSETS					
Cash	\$ 342,870	\$ 181,790	\$ 4,731,190	\$ 5,255,850	\$ 4,550,763
Receivables:					
General Property Taxes	-	-	39,877	39,877	199,250
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 342,870	\$ 181,790	4,771,067	\$ 5,295,727	\$ 4,750,013
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 327,441	\$ 327,441	\$ 615,135
Total Liabilities	-	-	327,441	327,441	615,135
Fund Balances:					
Restricted for					
Construction Acquisition of Capital Assets	-	-	4,443,626	4,443,626	3,494,038
Public Safety Equipment	187,650	-	-	187,650	185,853
Committed to					
Fairpark Infrastructure	-	181,790	-	181,790	301,227
Construction Acquisition of Capital Assets	155,220	-	-	155,220	153,760
Total Fund Balances	342,870	181,790	4,443,626	4,968,286	4,134,878
TOTAL LIABILITIES AND FUND BALANCES	\$ 342,870	\$ 181,790	\$ 4,771,067	\$ 5,295,727	\$ 4,750,013

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2018	9/30/2017
REVENUES					
Taxes:					
General Property Taxes	\$ -	\$ -	\$ 4,832,671	\$ 4,832,671	\$ 4,900,309
Intergovernmental Revenues:					
Federal Shared Revenues	-	-	-	-	7,302
State Shared Revenues	-	-	172,569	172,569	163,635
Miscellaneous Revenues:					
Interest	3,257	2,153	44,497	49,907	5,978
Donations	-	-	-	-	-
Other	-	3,195	646	3,841	325,585
TOTAL REVENUES	<u>3,257</u>	<u>5,348</u>	<u>5,050,383</u>	<u>5,058,988</u>	<u>5,402,809</u>
EXPENDITURES					
Personnel Services	-	-	93,979	93,979	94,311
Other Services and Charges	-	81,043	1,054,826	1,135,869	706,156
Capital Outlay:					
Capital Outlay	-	-	2,995,732	2,995,732	2,705,033
TOTAL EXPENDITURES	<u>-</u>	<u>81,043</u>	<u>4,144,537</u>	<u>4,225,580</u>	<u>3,505,500</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,257</u>	<u>(75,695)</u>	<u>905,846</u>	<u>833,408</u>	<u>1,897,309</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS



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

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 7,599,829	\$ 5,255,850	\$ 2,182,640	\$ 15,038,319
Investments	-	-	10,000,942	10,000,942
General Property Taxes Receivable	10,288	39,877	27,714	77,879
Other Receivable	280,734	-	220,025	500,759
Notes Receivable	92,438	-	-	92,438
Due from Other Government Units	298,711	-	-	298,711
Inventories	25,970	-	-	25,970
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	\$ 8,307,970	\$ 5,295,727	\$ 12,431,321	\$ 26,035,018
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 199,734	\$ 327,441	\$ 3,750	\$ 530,925
Accrued Expenses	67,589	-	-	67,589
Unearned Revenues	943,533	-	-	943,533
Event Deposits	9,084	-	-	9,084
TOTAL LIABILITIES	1,219,940	327,441	3,750	1,551,131
<u>FUND BALANCES:</u>				
Nonspendable				
Inventory	25,970	-	-	25,970
Restricted for				
Library	74,986	-	-	74,986
Tourism Promotion	3,890,154	-	-	3,890,154
Public Safety Retirement	39,658	-	-	39,658
Law Enforcement	1,738,671	-	-	1,738,671
Construction Acquisition of Capital Assets	-	4,443,626	-	4,443,626
Public Safety Equipment	-	187,650	-	187,650
Debt Service	-	-	12,427,571	12,427,571
Committed to				
Rental Rehabilitation	93,422	-	-	93,422
Fairpark Infrastructure	-	181,790	-	181,790
Construction Acquisition of Capital Assets	-	155,220	-	155,220
Assigned to				
Coliseum Projects	231,423	-	-	231,423
Coliseum Operations	768,746	-	-	768,746
Transportation	225,000	-	-	225,000
TOTAL FUND BALANCES	7,088,030	4,968,286	12,427,571	24,483,887
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,307,970	\$ 5,295,727	\$ 12,431,321	\$ 26,035,018

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2018

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,246,916	\$ 4,832,671	\$ 3,653,800	\$ 9,733,387
Intergovernmental Revenues	4,452,758	172,569	3,615,717	8,241,044
Fines and Forfeitures	117,330	-	-	117,330
Charges for Services	3,306,908	-	-	3,306,908
Miscellaneous Revenues	979,937	53,748	400,486	1,434,171
TOTAL REVENUES	10,103,849	5,058,988	7,670,003	22,832,840
EXPENDITURES:				
Current:				
Public Safety	1,098,726	-	-	1,098,726
Culture and Recreation	4,835,105	-	-	4,835,105
Other Functions	4,169,367	-	-	4,169,367
Capital Projects	-	4,225,580	-	4,225,580
Debt Service	-	-	5,967,969	5,967,969
TOTAL EXPENDITURES	10,103,198	4,225,580	5,967,969	20,296,747
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	651	833,408	1,702,034	2,536,093
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,886,366	-	1,407,007	4,293,373
Transfers to Other Funds	(3,513,606)	-	-	(3,513,606)
Transfer from Northeast MS Regional Water Supply District			337,530	337,530
Transfer to Northeast MS Regional Water Supply District	-	-	(5,261,863)	(5,261,863)
TOTAL OTHER FINANCING SOURCES (USES)	(627,240)	-	(3,517,326)	(4,144,566)
NET CHANGE IN FUND BALANCES	(626,589)	833,408	(1,815,292)	(1,608,473)
FUND BALANCES - Beginning	7,714,619	4,134,878	14,242,863	26,092,360
FUND BALANCES - Ending	\$ 7,088,030	\$ 4,968,286	\$ 12,427,571	\$ 24,483,887

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2018
With Comparative Totals for September 30, 2017

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
ASSETS										
Cash	\$ 71,118	\$ 3,627,308	\$ 33,238	\$ 231,423	\$ 984	\$ 1,598,590	\$ 1,812,168	\$ 225,000	\$ 7,599,829	\$ 7,920,037
Receivables:										
Notes	-	-	-	-	92,438	-	-	-	92,438	102,842
Other	-	17,893	-	-	-	262,841	-	-	280,734	231,669
General Property Taxes	3,868	-	6,420	-	-	-	-	-	10,288	51,406
Due from Other										
Governmental Units	-	298,711	-	-	-	-	-	-	298,711	356,560
Inventories	-	-	-	-	-	25,970	-	-	25,970	21,610
Prepaid Expenses	-	-	-	-	-	-	-	-	-	42,821
TOTAL ASSETS	\$ 74,986	\$ 3,943,912	\$ 39,658	\$ 231,423	\$ 93,422	\$ 1,887,401	\$ 1,812,168	\$ 225,000	\$ 8,307,970	\$ 8,726,945
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 53,758	\$ -	\$ -	\$ -	\$ 72,479	\$ 73,497	\$ -	\$ 199,734	\$ 108,760
Accrued Expenses	-	-	-	-	-	67,589	-	-	67,589	29,990
Unearned Revenues	-	-	-	-	-	943,533	-	-	943,533	853,271
Event Deposits	-	-	-	-	-	9,084	-	-	9,084	20,305
Total Liabilities	-	53,758	-	-	-	1,092,685	73,497	-	1,219,940	1,012,326
Fund Balances:										
Nonspendable										
Prepaid Expenses	-	-	-	-	-	-	-	-	-	42,821
Inventory	-	-	-	-	-	25,970	-	-	25,970	21,610
Restricted for										
Library	74,986	-	-	-	-	-	-	-	74,986	73,784
Tourism Promotion	-	3,890,154	-	-	-	-	-	-	3,890,154	4,536,177
Public Safety Retirement	-	-	39,658	-	-	-	-	-	39,658	58,659
Law Enforcement	-	-	-	-	-	-	1,738,671	-	1,738,671	1,817,209
Committed to										
Rental Rehabilitation	-	-	-	-	93,422	-	-	-	93,422	107,536
Assigned to										
Coliseum Projects	-	-	-	231,423	-	-	-	-	231,423	364,231
Coliseum Operations	-	-	-	-	-	768,746	-	-	768,746	692,592
Transportation	-	-	-	-	-	-	-	225,000	225,000	-
Total Fund Balances	74,986	3,890,154	39,658	231,423	93,422	794,716	1,738,671	225,000	7,088,030	7,714,619
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,986	\$ 3,943,912	\$ 39,658	\$ 231,423	\$ 93,422	\$ 1,887,401	\$ 1,812,168	\$ 225,000	\$ 8,307,970	\$ 8,726,945

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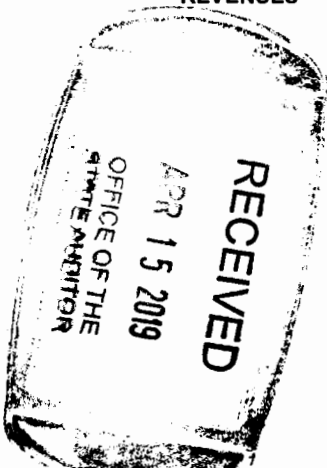
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CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
REVENUES										
Taxes:										
General Property Taxes	\$ 468,849	\$ -	\$ 778,067	\$ -	\$ -	\$ -	\$ -	\$ -	1,246,916	\$ 1,264,410
Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	176
Intergovernmental Revenues:										
Federal Shared Revenues	-	-	-	-	-	-	6,900	-	6,900	10,578
State Shared Revenues	16,739	4,401,335	27,784	-	-	-	-	-	4,445,858	4,402,991
Fines and Forfeitures	-	-	-	-	-	-	117,330	-	117,330	107,162
Charges for Sales and Services:										
Commissions	-	-	-	-	-	17,410	-	-	17,410	47,369
Concessions & Other Sales	-	-	-	-	-	637,876	-	-	637,876	648,469
Direct Show Revenue	-	-	-	-	-	49,872	-	-	49,872	85,405
Parking	-	-	-	-	-	7,998	-	-	7,998	6,053
Service Charge	-	-	-	-	-	394,990	-	-	394,990	399,703
Rental Revenue	-	-	-	-	-	1,909,103	-	-	1,909,103	1,758,636
Personnel Service Fees	-	-	-	-	-	289,659	-	-	289,659	280,005
Miscellaneous Revenues:										
Interest	68	32,088	148	9,518	38	13,890	18,789	-	74,539	16,672
Advertising Agency Fee	-	-	-	-	-	448,387	-	-	448,387	483,849
Other	-	2,122	-	-	-	357,367	97,522	-	457,011	366,639
TOTAL REVENUES	485,656	4,435,545	805,999	9,518	38	4,126,552	240,541	-	10,103,849	9,878,117



CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017
-Continued-

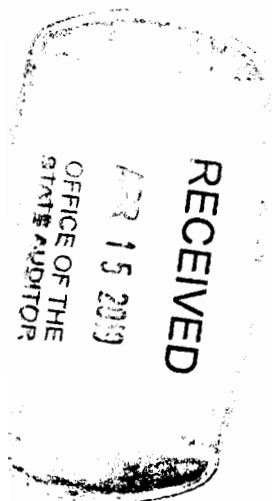
	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
EXPENDITURES										
Public Safety:										
Police Department:										
Personnel Services	\$ -	\$ -	\$ 577,500	\$ -	\$ -	\$ -	\$ -	\$ -	577,500	\$ 560,001
Supplies	-	-	-	-	-	-	12,804	-	12,804	14,857
Other Services and Charges	-	-	-	-	-	-	170,937	-	170,937	138,933
Capital Outlay	-	-	-	-	-	-	89,985	-	89,985	44,944
Fire Department:										
Personnel Services	-	-	247,500	-	-	-	-	-	247,500	240,000
Total Public Safety	-	-	825,000	-	-	-	273,726	-	1,098,726	998,735
Culture and Recreation:										
Tupelo Coliseum:										
Personnel Services	-	-	-	-	-	1,554,285	-	-	1,554,285	1,539,909
Supplies	-	-	-	-	-	477,397	-	-	477,397	369,340
Other Services and Charges	-	-	-	-	-	2,391,437	-	-	2,391,437	2,143,842
Capital Outlay	-	-	-	-	-	411,986	-	-	411,986	931,497
Total Culture and Recreation	-	-	-	-	-	4,835,105	-	-	4,835,105	4,984,588

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017
-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
EXPENDITURES										
- Continued										
Other Functions:										
Community Services:										
Personnel Services	\$ -	\$ 706,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,219	\$ 700,837
Supplies	-	20,321	-	-	-	-	-	-	20,321	11,818
Other Services and Charges	484,454	1,483,780	-	-	14,152	-	-	-	1,982,386	2,638,706
Capital Outlay	-	1,460,441	-	-	-	-	-	-	1,460,441	48,590
Total Other Functions	484,454	3,670,761	-	-	14,152	-	-	-	4,169,367	3,399,951
TOTAL EXPENDITURES	484,454	3,670,761	825,000	-	14,152	4,835,105	273,726	-	10,103,198	9,383,274
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	1,202	764,784	(19,001)	9,518	(14,114)	(708,553)	(33,185)	-	651	494,843

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017
-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2018	9/30/2017
OTHER FINANCING SOURCES (USES)										
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 1,915,120	\$ -	\$ 746,246	\$ -	\$ 225,000	\$ 2,886,366	\$ 3,104,619
Transfers to Other Funds	-	(1,410,807)	-	(2,057,446)	-	-	(45,353)	-	(3,513,606)	(3,650,045)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,410,807)	-	(142,326)	-	746,246	(45,353)	225,000	(627,240)	(545,426)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	1,202	(646,023)	(19,001)	(132,808)	(14,114)	37,693	(78,538)	225,000	(626,589)	(50,583)
FUND BALANCES - Beginning of Year	73,784	4,536,177	58,659	364,231	107,536	757,023	1,817,209	-	7,714,619	7,765,202
FUND BALANCES - End of Year	\$ 74,986	\$ 3,890,154	\$ 39,658	\$ 231,423	\$ 93,422	\$ 794,716	\$ 1,738,671	\$ 225,000	\$ 7,088,030	\$ 7,714,619



CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2018
With Comparative Totals for September 30, 2017

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2018	9/30/2017
ASSETS					
Cash	\$ 342,870	\$ 181,790	\$ 4,731,190	\$ 5,255,850	\$ 4,550,763
Receivables:					
General Property Taxes	-	-	39,877	39,877	199,250
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 342,870	\$ 181,790	4,771,067	\$ 5,295,727	\$ 4,750,013
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 327,441	\$ 327,441	\$ 615,135
Total Liabilities	-	-	327,441	327,441	615,135
Fund Balances:					
Restricted for					
Construction Acquisition of Capital Assets	-	-	4,443,626	4,443,626	3,494,038
Public Safety Equipment	187,650	-	-	187,650	185,853
Committed to					
Fairpark Infrastructure	-	181,790	-	181,790	301,227
Construction Acquisition of Capital Assets	155,220	-	-	155,220	153,760
Total Fund Balances	342,870	181,790	4,443,626	4,968,286	4,134,878
TOTAL LIABILITIES AND FUND BALANCES	\$ 342,870	\$ 181,790	\$ 4,771,067	\$ 5,295,727	\$ 4,750,013

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2018	9/30/2017
REVENUES					
Taxes:					
General Property Taxes	\$ -	\$ -	\$ 4,832,671	\$ 4,832,671	\$ 4,900,309
Intergovernmental Revenues:					
Federal Shared Revenues	-	-	-	-	7,302
State Shared Revenues	-	-	172,569	172,569	163,635
Miscellaneous Revenues:					
Interest	3,257	2,153	44,497	49,907	5,978
Donations	-	-	-	-	-
Other	-	3,195	646	3,841	325,585
TOTAL REVENUES	3,257	5,348	5,050,383	5,058,988	5,402,809
EXPENDITURES					
Personnel Services	-	-	93,979	93,979	94,311
Other Services and Charges	-	81,043	1,054,826	1,135,869	706,156
Capital Outlay:					
Capital Outlay	-	-	2,995,732	2,995,732	2,705,033
TOTAL EXPENDITURES	-	81,043	4,144,537	4,225,580	3,505,500
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	3,257	(75,695)	905,846	833,408	1,897,309

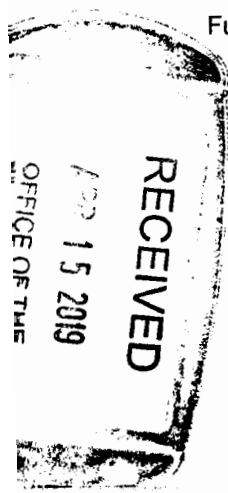
CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2018	9/30/2017
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	1,861,653
Transfers to Other Funds	-	-	-	-	(1,905,395)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(43,742)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	3,257	(75,695)	905,846	833,408	1,853,567
FUND BALANCE Beginning of Year	339,613	257,485	3,537,780	4,134,878	2,281,311
FUND BALANCE End of Year	\$ 342,870	\$ 181,790	\$ 4,443,626	\$ 4,968,286	\$ 4,134,878

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2018
With Comparative Totals for September 30, 2017

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Totals	
						9/30/2018	9/30/2017
ASSETS							
Cash	\$ 1,556,723	\$ -	\$ 76,854	\$ 549,063	\$ -	\$ 2,182,640	\$ 1,909,435
Investments	-	10,000,942	-	-	-	10,000,942	11,974,926
Receivables:							
General Property Taxes	27,714	-	-	-	-	27,714	138,477
Other	-	-	-	-	220,025	220,025	220,025
TOTAL ASSETS	\$ 1,584,437	\$ 10,000,942	\$ 76,854	\$ 549,063	\$ 220,025	\$ 12,431,321	\$ 14,242,863
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ 3,750	\$ -
Total Liabilities	3,750	-	-	-	-	3,750	-
Fund Balances:							
Restricted for Debt Service	1,580,687	10,000,942	76,854	549,063	220,025	12,427,571	14,242,863
Total Fund Balances	1,580,687	10,000,942	76,854	549,063	220,025	12,427,571	14,242,863
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,584,437	\$ 10,000,942	\$ 76,854	\$ 549,063	\$ 220,025	\$ 12,431,321	\$ 14,242,863

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CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Totals	
						9/30/2018	9/30/2017
REVENUES							
Taxes:							
General Property Taxes	\$ 3,358,673	\$ -	\$ 37,993	\$ 257,134	\$ -	\$ 3,653,800	\$ 3,614,441
Intergovernmental Revenues:							
State Shared Revenues	119,936	3,495,781	-	-	-	3,615,717	3,496,378
Miscellaneous Revenues:							
Interest	13,943	122,631	739	4,041	-	141,354	34,217
Other	259,132	-	-	-	-	259,132	256,384
TOTAL REVENUES	3,751,684	3,618,412	38,732	261,175	-	7,670,003	7,401,420
EXPENDITURES							
Debt Service:							
General Obligations:							
Bonds Redeemed	3,953,065	310,000	-	100,000	-	4,363,065	4,203,371
Interest	1,168,416	350,242	-	17,768	-	1,536,426	1,680,560
Paying Agent Fees	22,737	7,821	-	1,850	-	32,408	16,827
Special Assessment General Obligations:							
Bonds Redeemed	-	-	30,000	-	-	30,000	30,000
Interest	-	-	5,320	-	-	5,320	6,880
Paying Agent Fees	-	-	750	-	-	750	2,690
Certificates of Participation:							
Paying Agent Fees	-	-	-	-	-	-	65
TOTAL EXPENDITURES	5,144,218	668,063	36,070	119,618	-	5,967,969	5,940,393

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

Year Ended September 30, 2018

With Comparative Totals for Year Ended September 30, 2017

-Continued-

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Totals	
						9/30/2018	9/30/2017
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(1,392,534)</u>	\$ <u>2,950,349</u>	\$ <u>2,662</u>	\$ <u>141,557</u>	\$ <u>-</u>	\$ <u>1,702,034</u>	\$ <u>1,461,027</u>
OTHER FINANCING SOURCES (USES):							
Transfers from Other Funds	1,407,007	-	-	-	-	1,407,007	1,456,686
Transfers to Other Funds	-	-	-	-	-	-	(44,803)
Transfer from Northeast MS Regional Water Supply District	-	337,530	-	-	-	337,530	337,996
Transfer to Northeast MS Regional Water Supply District	-	(5,261,863)	-	-	-	(5,261,863)	(4,328,799)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,407,007</u>	<u>(4,924,333)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,517,326)</u>	<u>(2,578,920)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	14,473	(1,973,984)	2,662	141,557	-	(1,815,292)	(1,117,893)
FUND BALANCES-							
Beginning of Year	<u>1,566,214</u>	<u>11,974,926</u>	<u>74,192</u>	<u>407,506</u>	<u>220,025</u>	<u>14,242,863</u>	<u>15,360,756</u>
FUND BALANCES-							
End of Year	\$ <u><u>1,580,687</u></u>	\$ <u><u>10,000,942</u></u>	\$ <u><u>76,854</u></u>	\$ <u><u>549,063</u></u>	\$ <u><u>220,025</u></u>	\$ <u><u>12,427,571</u></u>	\$ <u><u>14,242,863</u></u>

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.

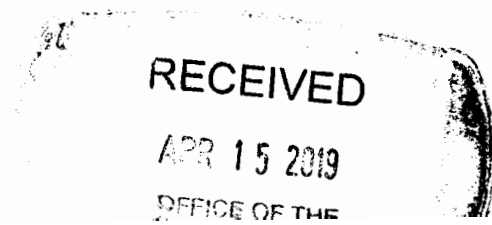
CITY OF TUPELO
GENERAL FUND
COMPARATIVE BALANCE SHEET
September 30, 2018 and 2017

	9/30/18	9/30/17
ASSETS		
Cash	\$ 15,329,071	\$ 17,340,724
Receivables:		
General Property Taxes	51,661	293,140
Home Grant Receivable	465,000	465,000
Other	201,443	73,535
Due from Other Government Units	2,483,985	2,432,347
Due from Component Unit	42,782	627,229
Due from Other Funds	2,350,000	2,408,827
Prepaid Expenses	40,637	462,153
Inventories	42,761	35,143
TOTAL ASSETS	\$ 21,007,340	\$ 24,138,098
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 235,602	\$ 322,215
Unearned Revenues	271,524	67,322
Due to Other Funds	-	43,904
Accrued Expenses	680,964	858,972
Total Liabilities	1,188,090	1,292,413
Fund Balance:		
Nonspendable		
Prepaid Expenses	40,637	462,153
Inventory	42,761	35,143
Long-Term Receivables	465,000	1,049,230
Restricted for		
Water Reserve	555,016	549,740
Unassigned	18,715,836	20,749,419
Total Fund Balance	19,819,250	22,845,685
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,007,340	\$ 24,138,098

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

For the Years Ended September 30, 2018 and 2017

	F.Y.E. 9/30/18	F.Y.E. 9/30/17
REVENUES		
Taxes:		
General Property Taxes	\$ 6,253,421	\$ 6,340,899
Payments in Lieu of Taxes	1,180,839	1,223,210
Penalties and Interest on Delinquent Taxes	75,300	75,435
Total Taxes	<u>7,509,560</u>	<u>7,639,544</u>
Licenses and Permits:		
Privilege License	301,306	325,785
Building Permits	278,513	247,736
Other Permits	12,220	14,184
Franchise Fees	406,574	383,168
Total Licenses and Permits	<u>998,613</u>	<u>970,873</u>
Intergovernmental Revenues:		
Federal Grants	318,853	197,171
State Grants	17,227	17,227
Other Grants	62,236	63,328
State Shared Revenues	21,825,272	21,314,584
Municipality Shared Revenues	3,200,000	3,200,000
County Shared Revenues	1,195,690	1,204,498
Total Intergovernmental Revenues	<u>26,619,278</u>	<u>25,996,808</u>
Charges for Services:		
Public Safety	260,756	153,284
Highways and Streets	24,050	13,150
Crime Lab Fees	58,442	57,553
Culture and Recreation Fees	442,234	454,355
Total Charges for Services	<u>785,482</u>	<u>678,342</u>
Fines and Forfeitures:		
Police Fines and Fees	673,878	1,050,190
Parking Fines and Fees	7,861	7,790
Total Fines and Forfeitures	<u>681,739</u>	<u>1,057,980</u>



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

For the Years Ended September 30, 2018 and 2017

-Continued-

	F.Y.E. 9/30/18	F.Y.E. 9/30/17
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 194,011	\$ 65,460
Donations	30,126	18,796
Rents	74,297	75,855
Billings to Other Departments	246,408	227,481
Other	142,705	272,568
Total Miscellaneous Revenues	687,547	660,160
TOTAL REVENUES	37,282,219	37,003,707
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	261,557	256,517
Supplies	3,567	1,323
Other Services and Charges	181,121	230,038
Total Legislative Department	446,245	487,878
Executive Department:		
Personnel Services	696,972	675,671
Supplies	14,086	18,691
Other Services and Charges	289,472	295,415
Capital Outlay	-	245
Total Executive Department	1,000,530	990,022
City Court:		
Personnel Services	690,407	665,568
Supplies	16,945	16,318
Other Services and Charges	108,694	101,135
Total City Court	816,046	783,021

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

For the Years Ended September 30, 2018 and 2017

-Continued-

	F.Y.E. 9/30/18	F.Y.E. 9/30/17
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 815,795	\$ 743,245
Supplies	21,348	35,461
Other Services and Charges	350,906	335,921
Capital Outlay	78,761	109,920
Total Budget and Accounting Department	<u>1,266,810</u>	<u>1,224,547</u>
Personnel Department:		
Personnel Services	254,413	236,092
Supplies	2,042	3,575
Other Services and Charges	32,535	30,073
Total Personnel Department	<u>288,990</u>	<u>269,740</u>
Planning Department:		
Personnel Services	1,252,991	1,165,853
Supplies	47,189	59,877
Other Services and Charges	72,440	75,931
Capital Outlay	-	1,613
Total Community Development Department	<u>1,372,620</u>	<u>1,303,274</u>
Total General Government	<u>5,191,241</u>	<u>5,058,482</u>
Public Safety:		
Police Department:		
Personnel Services	8,788,930	7,738,245
Supplies	569,734	577,141
Other Services and Charges	1,486,140	1,846,581
Capital Outlay	265,016	211,065
Total Police Department	<u>11,109,820</u>	<u>10,373,032</u>
Fire Department:		
Personnel Services	5,426,423	5,392,543
Supplies	278,572	240,871
Other Services and Charges	286,633	289,864
Capital Outlay	2,438	-
Total Fire Department	<u>5,994,066</u>	<u>5,923,278</u>
Total Public Safety	<u>17,103,886</u>	<u>16,296,310</u>

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

For the Years Ended September 30, 2018 and 2017

-Continued-

	F.Y.E. 9/30/18	F.Y.E. 9/30/17
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,716,377	\$ 2,718,806
Supplies	337,821	314,595
Other Services and Charges	2,038,133	1,886,434
Capital Outlay	19,270	19,367
Total Public Works Department	5,111,601	4,939,202
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,770,418	1,642,792
Supplies	358,062	379,650
Other Services and Charges	902,928	850,479
Capital Outlay	37,438	43,050
Total Park and Recreation Department	3,068,846	2,915,971
Aquatic Center:		
Personnel Services	398,371	380,253
Supplies	112,941	133,840
Other Services and Charges	347,163	331,239
Capital Outlay	4,376	4,787
Total Aquatic Center	862,851	850,119
Museum Department:		
Personnel Services	92,916	104,166
Supplies	3,981	7,150
Other Services and Charges	34,292	27,580
Total Museum Department	131,189	138,896
Total Culture and Recreation	4,062,886	3,904,986
Other Functions:		
Community Services:		
Other Services and Charges	1,133,491	1,027,117
Total Community Services	1,133,491	1,027,117

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

For the Years Ended September 30, 2018 and 2017

-Continued-

	F.Y.E. 9/30/18	F.Y.E. 9/30/17
EXPENDITURES-Continued		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	\$ 614,986	\$ 353,838
Interest	178,406	244,270
Total General Obligations	793,392	598,108
Total Debt Service	793,392	598,108
TOTAL EXPENDITURES	33,396,497	31,824,205
EXCESS OF REVENUES OVER EXPENDITURES	3,885,722	5,179,502
OTHER FINANCING SOURCES (USES):		
Transfers Out	(7,457,510)	(4,803,453)
Transfers In	545,353	23,663
TOTAL OTHER FINANCING SOURCES (USES)	(6,912,157)	(4,779,790)
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(3,026,435)	399,712
FUND BALANCE - Beginning of year	22,845,685	22,445,973
FUND BALANCE - End of year	\$ 19,819,250	\$ 22,845,685

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.

Transportation Fund – This fund is used to account for all funds committed to public provided transportation with the intent to transition from a pilot program to an ongoing municipal service.

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

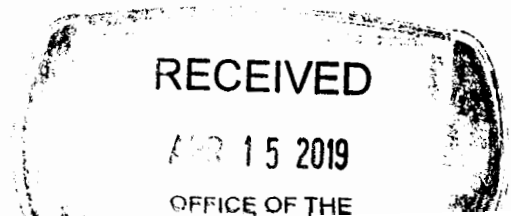
Year Ended September 30, 2018

With Comparative Totals for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 458,323	\$ 484,308	\$ 25,985	\$ 475,520
Intergovernmental:				
State Shared Revenues	14,638	16,739	2,101	15,873
Miscellaneous Revenues:				
Interest	-	68	68	166
TOTAL REVENUES	<u>472,961</u>	<u>501,115</u>	<u>28,154</u>	<u>491,559</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	<u>484,454</u>	<u>484,454</u>	<u>-</u>	<u>468,203</u>
Total Community Services	<u>484,454</u>	<u>484,454</u>	<u>-</u>	<u>468,203</u>
TOTAL EXPENDITURES	<u>484,454</u>	<u>484,454</u>	<u>-</u>	<u>468,203</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,493)	16,661	28,154	23,356
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>73,784</u>	<u>73,784</u>	<u>-</u>	<u>50,497</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>62,291</u>	90,445	\$ <u>28,154</u>	73,853
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(15,459)</u>		<u>(69)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>74,986</u>		\$ <u>73,784</u>

CITY OF TUPELO
CONVENTION AND VISITOR'S BUREAU FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
REVENUES				
Taxes:				
Payments in Lieu of Taxes	\$ -	\$ -	\$ -	176
Intergovernmental:				
State Shared Revenues	4,258,471	4,459,184	200,713	4,339,808
Miscellaneous Revenues:				
Interest	6,000	32,088	26,088	7,149
Other	-	2,122	2,122	28
TOTAL REVENUES	4,264,471	4,493,394	228,923	4,347,161
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	739,210	706,219	32,991	700,837
Supplies	25,818	20,321	5,497	11,818
Other Services and Charges	1,826,001	1,483,780	342,221	2,159,799
Capital Expenditures	1,485,000	1,460,441	24,559	48,590
Total Community Services	4,076,029	3,670,761	405,268	2,921,044
Total Other Functions	4,076,029	3,670,761	405,268	2,921,044
TOTAL EXPENDITURES	4,076,029	3,670,761	405,268	2,921,044
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	188,442	822,633	634,191	1,426,117



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, 2018

With Comparative Totals for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES (USES):				
Transfers Out	\$ (1,410,807)	\$ (1,410,807)	\$ -	\$ (1,117,662)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,410,807)</u>	<u>(1,410,807)</u>	<u>-</u>	<u>(1,117,662)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(1,222,365)	(588,174)	634,191	308,455
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>4,536,177</u>	<u>4,536,177</u>	<u>-</u>	<u>4,206,757</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>3,313,812</u></u>	3,948,003	\$ <u><u>634,191</u></u>	4,515,212
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(57,849)</u>		<u>20,965</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>3,890,154</u></u>		\$ <u><u>4,536,177</u></u>

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

Year Ended September 30, 2018

With Comparative Totals for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 760,722	\$ 803,726	\$ 43,004	\$ 787,800
Intergovernmental Revenues:				
State Shared Revenues	24,296	27,784	3,488	26,345
Miscellaneous Revenues:				
Interest Income	-	148	148	373
TOTAL REVENUES	<u>785,018</u>	<u>831,658</u>	<u>46,640</u>	<u>814,518</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>577,500</u>	<u>577,500</u>	-	<u>560,001</u>
Total Police Department	<u>577,500</u>	<u>577,500</u>	-	<u>560,001</u>
Fire Department:				
Personnel Services	<u>247,500</u>	<u>247,500</u>	-	<u>240,000</u>
Total Fire Department	<u>247,500</u>	<u>247,500</u>	-	<u>240,000</u>
Total Public Safety	<u>825,000</u>	<u>825,000</u>	-	<u>800,001</u>
TOTAL EXPENDITURES	<u>825,000</u>	<u>825,000</u>	-	<u>800,001</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(39,982)	6,658	46,640	14,517
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>58,659</u>	<u>58,659</u>	-	<u>42,983</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>18,677</u>	65,317	\$ <u>46,640</u>	57,500
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(25,659)</u>		<u>1,159</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ 39,658		\$ 58,659

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, 2018
With Comparative Totals for Year Ended September 30, 2017

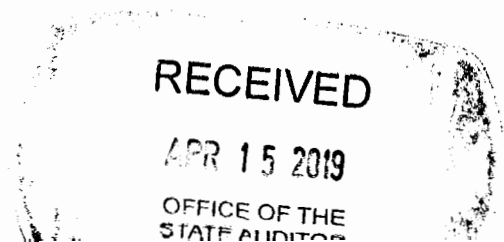
	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ 2,500	\$ 9,518	\$ 7,018	\$ 2,693
TOTAL REVENUES	<u>2,500</u>	<u>9,518</u>	<u>7,018</u>	<u>2,693</u>
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tupelo Coliseum	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,500</u>	<u>9,518</u>	<u>7,018</u>	<u>2,693</u>

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

Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 1,815,120	\$ 1,915,120	\$ 100,000	\$ 1,915,120
Transfers Out	<u>(2,237,030)</u>	<u>(2,057,446)</u>	<u>179,584</u>	<u>(2,508,720)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(421,910)</u>	<u>(142,326)</u>	<u>279,584</u>	<u>(593,600)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(419,410)	(132,808)	286,602	(590,907)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>364,231</u>	<u>364,231</u>	<u>-</u>	<u>955,138</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(55,179)</u>	231,423	\$ <u>286,602</u>	364,231
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>231,423</u>		\$ <u>364,231</u>



CITY OF TUPELO
RENTAL REHABILITATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 38	\$ 38	\$ 61
TOTAL REVENUES	<u>-</u>	<u>38</u>	<u>38</u>	<u>61</u>
EXPENDITURES				
Other Services and Charges	<u>24,390</u>	<u>14,152</u>	<u>10,238</u>	<u>10,704</u>
TOTAL EXPENDITURES	<u>24,390</u>	<u>14,152</u>	<u>10,238</u>	<u>10,704</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,390)</u>	<u>(14,114)</u>	<u>10,276</u>	<u>(10,643)</u>
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(24,390)</u>	<u>(14,114)</u>	<u>10,276</u>	<u>(10,643)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>107,536</u>	<u>107,536</u>	<u>-</u>	<u>118,179</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>83,146</u>	93,422	\$ <u>10,276</u>	107,536
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>93,422</u>		\$ <u>107,536</u>

CITY OF TUPELO
COLISEUM OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

		F.Y.E. 9/30/2018		
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
REVENUES				
Charges for Sales & Services:				
Commissions	\$ 90,000	\$ 17,410	\$ (72,590)	\$ 47,369
Concessions & Other Sales	700,000	637,876	(62,124)	648,469
Direct Show Revenue	110,000	49,872	(60,128)	85,405
Parking	8,000	7,998	(2)	6,053
Service Charge	470,000	394,990	(75,010)	399,703
Rental Revenue	2,186,000	1,870,151	(315,849)	1,675,813
Personnel Service Fees	425,000	289,659	(135,341)	280,005
Miscellaneous Revenues:				
Advertising Agency Fee	600,000	448,387	(151,613)	483,849
Other	237,500	357,367	119,867	229,336
Interest	5,000	13,890	8,890	2,710
TOTAL REVENUES	4,831,500	4,087,600	(743,900)	3,858,712
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	2,020,330	1,554,285	466,045	1,539,909
Supplies	600,500	477,397	123,103	369,340
Other Services and Charges	2,586,500	2,391,437	195,063	2,143,842
Capital Outlay	550,000	411,986	138,014	931,497
Total Coliseum Operations	5,757,330	4,835,105	922,225	4,984,588
TOTAL EXPENDITURES	5,757,330	4,835,105	922,225	4,984,588
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(925,830)	(747,505)	178,325	(1,125,876)

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, 2018

With Comparative Totals for Year Ended September 30, 2017

-Continued-

<u>F.Y.E. 9/30/2018</u>				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	\$ 775,830	\$ 746,246	\$ (29,584)	\$ 1,189,499
TOTAL OTHER FINANCING SOURCES (USES)	<u>775,830</u>	<u>746,246</u>	<u>(29,584)</u>	<u>1,189,499</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(150,000.00)	(1,259)	148,741	63,623
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>757,023</u>	<u>757,023</u>	<u>-</u>	<u>610,577</u>
FUND BALANCE (DEFICIT) (NON-GAAP) BUDGETARY BASIS) -				
End of Year	\$ <u>607,023</u>	755,764	\$ <u>148,741</u>	674,200
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>38,952</u>		<u>82,823</u>
FUND BALANCE (DEFICIT) (GAAP BASIS)				
End of Year		\$ <u>794,716</u>		\$ <u>757,023</u>

CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

F.Y.E. 9/30/2018				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 44,000	\$ 6,900	\$ (37,100)	\$ 10,578
Fines and Forfeitures	100,000	117,330	17,330	107,162
Miscellaneous Revenues:				
Interest	1,000	18,789	17,789	3,520
Other	84,000	98,942	14,942	135,855
TOTAL REVENUES	<u>229,000</u>	<u>241,961</u>	<u>12,961</u>	<u>257,115</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	41,000	12,804	28,196	14,857
Other Services and Charges	316,359	170,937	145,422	138,933
Capital Outlay	388,100	89,985	298,115	44,944
Total Police Department	<u>745,459</u>	<u>273,726</u>	<u>471,733</u>	<u>198,734</u>
TOTAL EXPENDITURES	<u>745,459</u>	<u>273,726</u>	<u>471,733</u>	<u>198,734</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(516,459)	(31,765)	484,694	58,381
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(45,353)</u>	<u>(45,353)</u>	<u>-</u>	<u>(23,663)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,353)</u>	<u>(45,353)</u>	<u>-</u>	<u>(23,663)</u>



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

Year Ended September 30, 2018

With Comparative Totals for Year Ended September 30, 2017

-Continued-

<u>F.Y.E. 9/30/2018</u>				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (561,812)	\$ (77,118)	\$ 484,694	\$ 34,718
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,817,209</u>	<u>1,817,209</u>	<u>-</u>	<u>1,781,071</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>1,255,397</u>	1,740,091	\$ <u>484,694</u>	1,815,789
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(1,420)</u>		<u>1,420</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>1,738,671</u>		\$ <u>1,817,209</u>

CITY OF TUPELO
TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Totals for Year Ended September 30, 2017

				F.Y.E. 9/30/2018				
				Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2017 Actual	
OTHER FINANCING SOURCES								
(USES):								
Transfer from General Fund	\$	-	\$	225,000	\$	225,000	\$	
TOTAL OTHER FINANCING SOURCES (USES)		-		225,000		225,000		
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -								
Beginning of Year		0		0				
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -								
End of Year	\$			225,000	\$			0
Adjustments to Generally Accepted Accounting Principles:								
Revenue Accruals				0				
FUND BALANCE (GAAP BASIS) -								
End of Year	\$			225,000	\$			0

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.

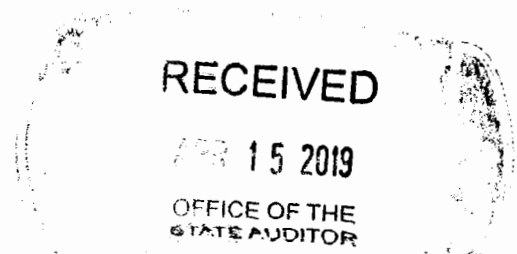
Fairgrounds Construction Fund – This fund is used to account for the costs of constructing the Fairgrounds Redevelopment Project.

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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	\$ -	\$ -	\$ -	7,302
Miscellaneous Revenues:				
Interest	-	3,257	3,257	651
Donations	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>3,257</u>	<u>3,257</u>	<u>7,953</u>
EXPENDITURES				
Supplies	-	-	-	12,850
Capital Outlay:				
Capital Outlay	-	-	-	52,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,850</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	3,257	3,257	(56,897)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>339,613</u>	<u>339,613</u>	<u>-</u>	<u>396,510</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>339,613</u>	342,870	\$ <u>3,257</u>	339,613
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>342,870</u>		\$ <u>339,613</u>



CITY OF TUPELO
FAIRGROUNDS CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 2,153	\$ 2,153	\$ 80
Other	-	3,195	3,195	286,047
TOTAL REVENUES	<u>-</u>	<u>5,348</u>	<u>5,348</u>	<u>286,127</u>
EXPENDITURES				
Other Services and Charges	257,000	81,043	175,957	8,048
Capital Outlay:				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>257,000</u>	<u>81,043</u>	<u>175,957</u>	<u>8,048</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(257,000)	(75,695)	181,305	278,079
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	(43,742)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,742)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(257,000)	(75,695)	181,305	234,337
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	257,485	257,485	-	23,148
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>485</u>	181,790	\$ <u>181,305</u>	257,485
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ 181,790		\$ 257,485

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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ -	\$ -	\$ -	192,044
Intergovernmental Revenues:				
State Shared Revenues	-	-	-	-
Federal Grants	-	-	-	-
Miscellaneous Revenues:				
Interest	-	-	-	-
TOTAL REVENUES	-	-	-	192,044
EXPENDITURES				
Personnel Services	-	-	-	-
Other Services and Charges	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	192,044
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	(1,861,653)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(1,861,653)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	-	-	(1,669,609)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	-	-	-	1,861,653
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ -	\$ -		192,044
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		(192,044)
FUND BALANCE (GAAP BASIS)				
End of Year		\$ -		\$ -

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

	F.Y.E. 9/30/2018		Variance	F.Y.E.
	Budget	Actual	Favorable	9/30/2017
			(Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 4,724,980	\$ 4,992,045	\$ 267,065	\$ 4,701,059
Intergovernmental Revenues:				
State Shared Revenues	150,909	172,569	21,660	163,635
Miscellaneous Revenues:				
Interest	-	44,497	44,497	5,247
Other	-	646	646	39,538
TOTAL REVENUES	4,875,889	5,209,757	333,868	4,909,479
EXPENDITURES				
Personnel Services	98,638	93,979	4,659	94,311
Other Services and Charges	1,752,972	1,054,826	698,146	685,258
Capital Outlay:				
Capital Outlay	5,561,911	2,995,732	2,566,179	2,653,033
TOTAL EXPENDITURES	7,413,521	4,144,537	3,268,984	3,432,602
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(2,537,632)	1,065,220	3,602,852	1,476,877
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	1,861,653
TOTAL OTHER FINANCING				
SOURCES (USES)	-	-	-	1,861,653
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES AND				
OTHER SOURCES (USES)	(2,537,632)	1,065,220	3,602,852	3,338,530
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS)-				
Beginning of Year	3,537,780	3,537,780	-	-
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS)-				
End of Year	\$ 1,000,148	4,603,000	\$ 3,602,852	3,338,530
Adjustments to Generally Accepted				
Accounting Principles:				
Revenue Accruals		(159,374)		199,250
FUND BALANCE (GAAP BASIS)				
End of Year		\$ 4,443,626		\$ 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.

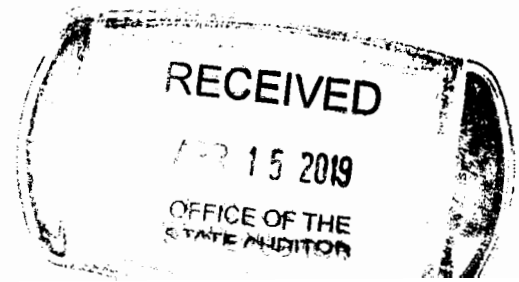
City Tax Increment Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of Tax Increment Bonds.

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.

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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 3,283,861	\$ 3,469,436	\$ 185,575	\$ 3,400,680
Intergovernmental Revenues:				
State Shared Revenues	104,881	119,936	15,055	113,726
Miscellaneous Revenues:				
Interest	-	13,943	13,943	2,207
Other	259,132	259,132	-	256,384
TOTAL REVENUES	3,647,874	3,862,447	214,573	3,772,997
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	4,095,000	3,953,065	141,935	3,818,371
Interest	1,203,671	1,168,416	35,255	1,291,120
Paying Agent Fees	25,000	22,737	2,263	8,643
Bond Issue Costs	-	-	-	-
TOTAL EXPENDITURES	5,323,671	5,144,218	179,453	5,118,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,675,797)	(1,281,771)	394,026	(1,345,137)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,581,201	1,407,007	(174,194)	1,456,686
TOTAL OTHER FINANCING SOURCES (USES)	1,581,201	1,407,007	(174,194)	1,456,686



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, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (94,596)	\$ 125,236	\$ 219,832	\$ 111,549
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,566,214</u>	<u>1,566,214</u>	<u>-</u>	<u>1,449,659</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>1,471,618</u></u>	1,691,450	\$ <u><u>219,832</u></u>	1,561,208
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(110,763)</u>		<u>5,006</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>1,580,687</u></u>		\$ <u><u>1,566,214</u></u>

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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	\$ 3,600,000	\$ 3,495,781	\$ (104,219)	\$ 3,382,652
Miscellaneous Revenues:				
Interest	-	122,631	122,631	31,042
TOTAL REVENUES	3,600,000	3,618,412	18,412	3,413,694
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	310,000	310,000	-	295,000
Interest	350,243	350,242	1	366,880
Paying Agent Fees	9,000	7,821	1,179	6,335
Total Debt Service	669,243	668,063	1,180	668,215
TOTAL EXPENDITURES	669,243	668,063	1,180	668,215
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,930,757	2,950,349	19,592	2,745,479
OTHER FINANCING SOURCES (USES):				
Transfer (to) From Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	(9,174,378)	(5,261,863)	3,912,515	(3,990,803)
TOTAL OTHER FINANCING SOURCES (USES)	(9,174,378)	(5,261,863)	3,912,515	(3,990,803)



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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (6,243,621)	\$ (2,311,514)	\$ 3,932,107	\$ (1,245,324)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>11,974,926</u>	<u>11,974,926</u>	<u>-</u>	<u>13,220,250</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u>5,731,305</u>	9,663,412	\$ <u>3,932,107</u>	11,974,926
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u>9,663,412</u>		\$ <u>11,974,926</u>

CITY OF TUPELO
SPECIAL ASSESSMENTS BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 40,320	\$ 37,993	\$ (2,327)	\$ 38,443
Miscellaneous Revenues:				
Interest	-	739	739	168
TOTAL REVENUES	40,320	38,732	(1,588)	38,611
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	30,000	30,000	-	30,000
Interest	5,320	5,320	-	6,880
Paying Agent Fees	5,000	750	4,250	2,690
Total Debt Service	40,320	36,070	4,250	39,570
TOTAL EXPENDITURES	40,320	36,070	4,250	39,570
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,662	2,662	(959)
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

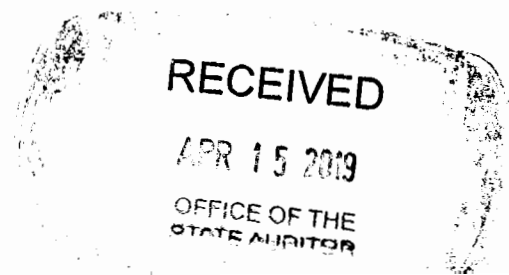
CITY OF TUPELO
SPECIAL ASSESSMENTS BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 2,662	\$ (5,838)	\$ (959)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>74,192</u>	<u>74,192</u>	<u>-</u>	<u>75,601</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>74,192</u></u>	76,854	\$ <u><u>(5,838)</u></u>	74,642
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>0</u>		<u>(450)</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>76,854</u></u>		\$ <u><u>74,192</u></u>



CITY OF TUPELO
CITY TAX INCREMENT DEBT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 119,768	\$ 257,134	\$ 137,366	\$ 170,762
Miscellaneous Revenues:				
Interest	-	4,041	4,041	697
TOTAL REVENUES	119,768	261,175	141,407	171,459
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	100,000	100,000	-	90,000
Interest	17,768	17,768	-	22,560
Paying Agent Fees	2,000	1,850	150	1,849
Total Debt Service	119,768	119,618	150	114,409
TOTAL EXPENDITURES	119,768	119,618	150	114,409
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	141,557	141,557	57,050
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, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 141,557	\$ 141,557	\$ 57,050
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>407,506</u>	<u>407,506</u>	<u>-</u>	<u>350,456</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>407,506</u></u>	549,063	\$ <u><u>141,557</u></u>	407,506
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>549,063</u></u>		\$ <u><u>407,506</u></u>

CITY OF TUPELO
CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2018
With Comparative Actual Amounts for Year Ended September 30, 2017

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Debt Service:				
Certificates Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	65
Total Debt Service	-	-	-	65
TOTAL EXPENDITURES	-	-	-	65
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(65)
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project Fund	-	-	-	-
Transfer to City Bond and Interest Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (UNFAVORABLE)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ -	\$ -	(65)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	-	-	-	65
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ -	-	\$ -	-
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) End of Year		\$ -		\$ -

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

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ 103
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>103</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	103
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	(44,803)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,803)</u>

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

Year Ended September 30, 2018

With Comparative Actual Amounts for Year Ended September 30, 2017

-Continued-

	F.Y.E. 9/30/2018			F.Y.E. 9/30/2017 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ -	\$ -	(44,700)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>220,025</u>	<u>220,025</u>	<u>-</u>	<u>264,725</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>220,025</u></u>	220,025	\$ <u><u>-</u></u>	220,025
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>220,025</u></u>		\$ <u><u>220,025</u></u>

AGENCY FUNDS

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

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

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

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

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

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



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

September 30, 2018
With Comparative Totals for September 30, 2017

	Metro Vice Seized Fund	City Court Restitution Fund	Flexible Spending Fund	Self Insurance Fund	Arts Committee Fund	Totals	
						9/30/18	9/30/17
ASSETS							
Cash	\$ 171,378	\$ 6,964	\$ -	\$ 532,783	\$ 744	\$ 711,869	\$ 1,314,186
Investments	-	-	-	500	-	500	500
TOTAL ASSETS	\$ 171,378	\$ 6,964	\$ -	\$ 533,283	\$ 744	\$ 712,369	\$ 1,314,686
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 51,520	\$ -	\$ 51,520	\$ 56,457
Due to Other Funds	-	-	-	-	-	-	8,827
Due to Complainants	-	6,964	-	-	-	6,964	6,964
Due to Arts Committee	-	-	-	-	744	744	737
Due to Employees	-	-	-	-	-	-	4,355
Due to Insured Employees	-	-	-	481,763	-	481,763	1,096,223
Seized Money Held	171,378	-	-	-	-	171,378	141,123
TOTAL LIABILITIES	\$ 171,378	\$ 6,964	\$ -	\$ 533,283	\$ 744	\$ 712,369	\$ 1,314,686

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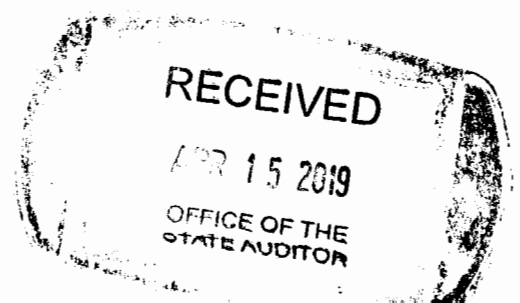
CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2018

	Balance September 30, 2017	Debits	Credits	Balance September 30, 2018
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 141,671	\$ 169,672	\$ 139,965	\$ 171,378
<u>LIABILITIES</u>				
Accounts Payable	\$ 548	\$ 21,760	\$ 21,212	\$ -
Seized Money Held	141,123	126,743	156,998	171,378
Total Liabilities	\$ 141,671	\$ 148,503	\$ 178,210	\$ 171,378
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 80	\$ 80	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
FLEXIBLE SPENDING FUND				
<u>ASSETS</u>				
Cash	\$ 13,182	\$ 3	\$ 13,185	\$ -
<u>LIABILITIES</u>				
Due to Other Funds	\$ 8,827	\$ 13,185	\$ 4,358	\$ -
Due to Employees	4,355	4,355	-	-
Total Liabilities	\$ 13,182	\$ 17,540	\$ 4,358	\$ -
TUPELO ARTS COMMITTEE				
<u>ASSETS</u>				
Cash	\$ 737	\$ 7	\$ -	\$ 744
<u>LIABILITIES</u>				
Deposits - Arts Committee	\$ 737	\$ -	\$ 7	\$ 744
Total Liabilities	\$ 737	\$ -	\$ 7	\$ 744

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2018
-Continued-

	Balance September 30, 2017	Debits	Credits	Balance September 30, 2018
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 1,151,632	\$ 329,103	\$ 947,952	\$ 532,783
Investments	500	-	-	500
Total Assets	<u>\$ 1,152,132</u>	<u>\$ 329,103</u>	<u>\$ 947,952</u>	<u>\$ 533,283</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 55,909	\$ 165,705	\$ 161,316	\$ 51,520
Due to Insured Employees	1,096,223	676,557	62,097	481,763
Total Liabilities	<u>\$ 1,152,132</u>	<u>\$ 842,262</u>	<u>\$ 223,413</u>	<u>\$ 533,283</u>
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 1,314,186	\$ 498,865	\$ 1,101,182	\$ 711,869
Investments	500	-	-	500
Total Assets	<u>\$ 1,314,686</u>	<u>\$ 498,865</u>	<u>\$ 1,101,182</u>	<u>\$ 712,369</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 56,457	\$ 187,465	\$ 182,528	\$ 51,520
Due to Other Funds	8,827	13,185	4,358	-
Seized Money Held	141,123	126,743	156,998	171,378
Deposits - Arts Committee	737	-	7	744
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	1,096,223	676,557	62,097	481,763
Due to Employees	4,355	4,355	-	-
Total Liabilities	<u>\$ 1,314,686</u>	<u>\$ 1,008,305</u>	<u>\$ 405,988</u>	<u>\$ 712,369</u>

OTHER SUPPLEMENTAL INFORMATION



CITY OF TUPELO
SCHEDULE OF INVESTMENTS
September 30, 2018

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	\$ <u>10,000,942</u>
	Total Investments - Debt Service Funds				<u>10,000,942</u>
	Total Investments - Governmental Funds				<u>10,000,942</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	N/A	N/A	<u>500</u>
	Total Investments - Agency Funds				<u>500</u>
	Total Investments - Fiduciary Funds				<u>500</u>
	Total Investments - All Funds				\$ <u><u>10,001,442</u></u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2018

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2017	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2018	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	\$ 5,520,000	\$ -	\$ (120,000)	\$ 5,400,000	\$ 240,000	\$ 111,563
G.O. - Series 2013	2.100 - 3.000%	4/10/13	9/30/33	5,520,000	-	(120,000)	5,400,000	240,000	126,426
G.O. - Series 2013	2.500 - 3.250%	9/1/13	9/30/28	2,330,000	-	(180,000)	2,150,000	185,000	60,175
G.O. - Series 2011	2.100 - 2.875%	12/1/11	12/1/30	3,495,000	-	(160,000)	3,335,000	160,000	78,489
G.O. Refunding - Series A	2.000 - 3.000%	6/21/11	7/1/19	1,615,000	-	(795,000)	820,000	820,000	24,600
G.O. Refunding - Series B	2.000 - 4.375%	6/21/11	7/1/23	3,210,000	-	(485,000)	2,725,000	500,000	110,144
G.O. - Series 2015	1.310 - 3.280%	7/28/15	7/1/29	3,800,000	-	(100,000)	3,700,000	200,000	101,730
G.O. Refunding - Series 2016	1.100 - 1.970%	1/28/16	2/1/22	3,810,000	-	(780,000)	3,030,000	715,000	47,104
G.O. - Series 2016	2.313 - 2.685%	5/12/16	4/1/36	5,900,000	-	(100,000)	5,800,000	100,000	149,368
G.O. Combined Refunding-Series 2016	3.000 - 5.000%	8/4/16	7/1/26	7,980,000	-	(1,255,000)	6,725,000	1,295,000	288,550
G.O. - Series 2017	2.000 - 5.000%	11/14/17	11/1/37	-	10,000,000	-	10,000,000	-	485,572
Total General City Bonds				43,180,000	10,000,000	(4,095,000)	49,085,000	4,455,000	1,583,721
Water Bonds									
Series 2008 - Refunding Bonds	3.91 - 5.51%	12/17/08	12/1/33	8,000,000	-	(310,000)	7,690,000	325,000	333,593
Total Water Bonds				8,000,000	-	(310,000)	7,690,000	325,000	333,593
Special Assessments General Obligation Bonds									
Series 2000	variable	8/1/00	8/1/20	100,000	-	(30,000)	70,000	35,000	3,745
Total Special Assessments General Obligations Bonds				100,000	-	(30,000)	70,000	35,000	3,745
TOTAL GENERAL OBLIGATION BONDS				51,280,000	10,000,000	(4,435,000)	56,845,000	4,815,000	1,921,059
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	1,219,997	-	(63,238)	1,156,759	65,577	33,800
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	978,324	-	(96,300)	882,024	99,189	26,461
Bank of America ESCO	2.62%	10/9/15	4/9/32	4,184,204	-	(231,018)	3,953,186	237,111	102,031
Total General City Notes Payable				6,382,525	-	(390,556)	5,991,969	401,877	162,292

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CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2018

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2017	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2018	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	\$ 514,867	\$ -	\$ (58,561)	\$ 456,306	\$ 60,947	\$ 17,143
Drinking Water Loan	1.95%	6/14/06	12/1/27	286,517	-	(25,502)	261,015	26,004	4,858
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	3,267,798	-	(348,659)	2,919,139	354,809	48,248
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	13,492,947	-	(1,223,357)	12,269,590	1,244,938	204,764
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	3,587,031	-	(165,276)	3,421,755	168,528	65,223
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	4,241,467	-	(199,028)	4,042,439	202,539	69,123
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	3,315,146	-	(153,917)	3,161,229	156,632	54,069
SRF - Annexed Water	1.95%	9/30/14	2/1/37	3,895,990	343,691	(167,016)	4,072,665	185,634	77,764
SRF - 2015 Water	1.95%	9/30/15	11/1/37	53,560	965,702	(10,824)	1,008,438	43,826	19,274
SRF - Annex Sewer 2014		In progress		4,233,251	2,645,415	-	6,878,666	-	-
Total Water and Sewer Notes Payable				36,888,574	3,954,808	(2,352,140)	38,491,242	2,443,857	560,466
Mississippi Development Lease	4.000 - 5.000%	9/21/00	7/1/25	224,430	-	(224,430)	-	-	-
Special Obligation Bonds									
Series 2018 - Water and Sewer Dept.	Variable (2% -5%)	4/12/18	5/1/33	-	8,935,000	-	8,935,000	435,000	415,847
Series 2018 - Electric Department	Variable (2% -5%)	4/12/18	5/1/33	-	5,740,000	-	5,740,000	280,000	267,090
				-	14,675,000	-	14,675,000	715,000	682,937
Tax Increment Limited Obligation Bonds									
Series 1998	5.70%	2/1/98	3/1/18	55,000	-	(55,000)	-	-	-
Series 2009	4.50%	5/13/09	5/1/24	360,000	-	(45,000)	315,000	45,000	14,175
Total Tax Increment Limited Obligation Bonds				415,000	-	(100,000)	315,000	45,000	14,175
Northeast MS Regional Water Supply District									
State Revolving Loan	3.00%	9/1/98	8/1/22	713,540	-	(160,876)	552,664	165,769	14,313
Tupelo Airport Authority									
Notes Payable	3.00%	9/1/00	8/1/22	127,011	-	(19,635)	107,376	20,255	3,221
TOTAL OTHER LONG-TERM DEBT				38,368,555	18,629,808	(2,857,081)	54,141,282	3,389,881	1,275,112
TOTAL LONG-TERM DEBT				\$ 96,031,080	\$ 28,629,808	\$ (7,682,637)	\$ 116,978,251	\$ 8,606,758	\$ 3,358,463

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2018

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
Adjusted Assessed Valuation:			
Realty	\$ 344,770,600	\$ 11,823,562	
Personal	89,805,600	30,125,495	
Personal - Auto (From County)	<u>59,071,800</u>	<u>4,277,521</u>	
Total Municipal at 96.57 Mills	\$ <u>493,648,000</u>		\$ 47,671,587
Total School at 64.10 Mills		\$ <u>46,226,578</u>	2,963,124
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 560,332	
School Homestead Reimbursement		429,246	
Prior Year Tax Collections		236,952	
Penalties and Interest		75,300	
In-Lieu Taxes		1,180,839	
Special Assessments		<u>37,993</u>	2,520,662
Less:			
Cost of Collections		308,675	
School Homestead Loss		<u>792,840</u>	<u>1,101,515</u>
TOTAL TO BE ACCOUNTED FOR			\$ <u>52,053,858</u>



CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2018
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 7,509,560	\$ 223,305	\$ 7,732,865
Special Assessments Fund	37,993	-	37,993
Tax Increment Bond Fund	257,134	-	257,134
City Bond & Interest Fund	3,358,673	119,936	3,478,609
Library Fund	468,849	16,739	485,588
Firemen & Policemen Retirement Fund	778,067	27,784	805,851
City Special Levy Street Improvements Fund	4,832,671	172,569	5,005,240
School Maintenance Fund	28,762,321	429,245	29,191,566
School Bond and Interest Fund	3,278,079	-	3,278,079
Tupelo/Lee County Vo-Tech	70	-	70
School Notes - Shortfall Note	<u>1,612,063</u>	<u>-</u>	<u>1,612,063</u>
Total Collections	<u>\$ 50,895,480</u>	<u>\$ 989,578</u>	51,885,058
Balance Represented By:			
Unpaid Property Taxes		\$ 168,784	
Unaccounted For (Over)		<u>16</u>	<u>168,800</u>
TOTAL ACCOUNTED FOR			<u>\$ 52,053,858</u>

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

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
Steven 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
Rhonda Cole	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America
Missy Shelton	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America

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CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2018

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Environmental Protection Agency			
Passed through State Office of:			
Mississippi Department of Environmental Quality:			
Capitalization Grants for Clean Water			
State Revolving Funds*	SRF-C280885-06	66.458	\$ 396,527
Total Environmental Protection Agency			\$ 396,527
U. S. Department of Housing and Urban Development			
Passed through State Office of:			
Mississippi Development Authority:			
Community Development Block Grant*	1132-15-366-PF-01	14.228	\$ 344,112
Total U.S. Department of Housing and Urban Development			\$ 344,112
U. S. Department of Justice			
Justice Assistance	2014-DJBX-0504	16.738	\$ 15,320
U.S. Marshall Service	JELO	16.111	16,301
Juvenile Mentoring Program	2017-NPAL-TO-106	16.726	24,515
Federal Equitable Sharing Agreement	11-DEA-541721	16.000	6,900
Total U.S. Department of Justice			\$ 63,036
U. S. Department of Transportation			
Passed through State Office of:			
Mississippi Department of Transportation:			
Highway Planning and Construction Grant	STP-0430-00(19)	20.205	\$ 193,736
Subtotal			193,736
Airport Improvement Program	3-28-0070-042-2017	20.106	26,600
Airport Improvement Program	3-28-0070-043-2018	20.106	4,309
Essential Air Service*	2018-3-17	20.901	1,648,535
Subtotal			1,679,444
Total U.S. Department of Transportation			\$ 1,873,180

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2018

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	16HS366T	97.039	\$ 45,000
Homeland Security Grant	17HS366T	97.039	15,000
Homeland Security Grant	17HS366	97.039	10,924
Homeland Security Grant	15LE366	97.039	16,689
Homeland Security Grant	15LE366B	97.039	24,000
Homeland Security Grant	B16LE366	97.039	15,000
Hazard Mitigation Grant	HM-1604-0515	97.039	13,217
Hazard Mitigation Grant	HM-1604-0516	97.039	60,597
Emergency Management Assistance	4175-DR-MS	97.039	136,104
Total U. S. Department of Homeland Security			\$ 336,531
TOTAL FEDERAL EXPENDITURES			\$ 3,013,386

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, 2018. 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.

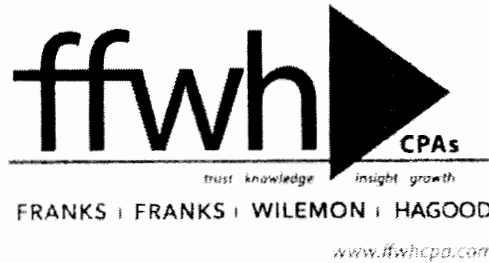
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

* - Major Program

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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**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, 2018, 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 28, 2019.

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.

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Compliance and Other Matters

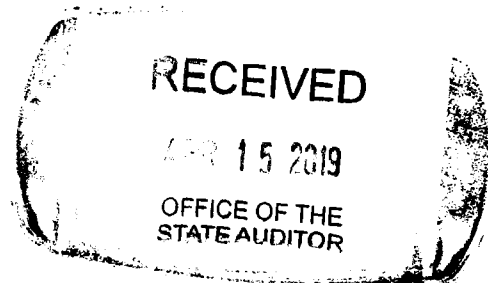
As part of obtaining reasonable assurance about whether the City of Tupelo, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon and Hagood, P.A.
Tupelo, Mississippi
March 28, 2019



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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, 2018. 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, 2018.

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 a 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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
March 28, 2019



**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018**

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	U.S. Department of Housing & Urban Development – CDGB
20.901	U.S. Department of Transportation – Essential Air Service
66.458	Environmental Protection Agency – Capitalization Grants for Clean Water

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 750,000

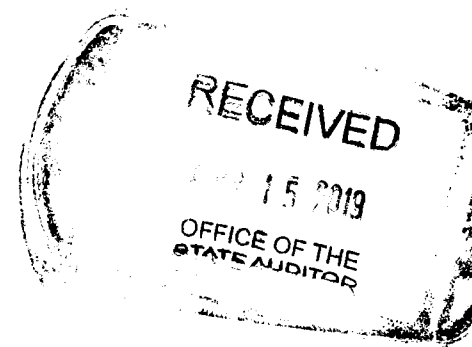
Auditee qualified as low-risk auditee? X Yes No

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, 2018, and have issued our report thereon dated March 28, 2019. 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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
March 28, 2019

