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**CITY OF TUPELO,  
MISSISSIPPI**

**FINANCIAL STATEMENTS**

**For the Year Ended  
September 30, 2019**

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

**CITY OF TUPELO**  
**TABLE OF CONTENTS**  
**September 30, 2019**

<b>INDEPENDENT AUDITORS' REPORT.....</b>	<b>7</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	<b>11</b>
<b>BASIC FINANCIAL STATEMENTS - OVERVIEW:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position .....	21
Statement of Activities .....	23
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds.....	24
Reconciliation of Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government - Wide Statement of Activities and Changes in Net Position .....	27
General Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis.....	28
Water G.O. Bond Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis .....	29
Special Obligation Capital Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis .....	30
<b>Proprietary Funds:</b>	
Statement of Net Position .....	31
Statement of Revenues, Expenses and Changes in Net Position.....	34
Statement of Cash Flows.....	36
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Assets and Liabilities .....	38
<b>Notes to Financial Statements.....</b>	<b>40</b>

**CITY OF TUPELO**  
**TABLE OF CONTENTS**  
**September 30, 2019**

**REQUIRED SUPPLEMENTARY INFORMATION:**

Schedule of the City's Proportionate Share of the Net Pension Liability.....	76
Schedule of the City's Contributions .....	77
Notes to the Required Supplementary Information .....	78

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS:**

**Non-Major Governmental Funds:**

Combining Balance Sheet .....	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	82
Combining Balance Sheet - Non-Major Special Revenue Funds .....	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds .....	84
Combining Balance Sheet - Non-Major Capital Projects Funds .....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Capital Projects Funds .....	89
Combining Balance Sheet - Non-Major Debt Service Funds.....	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Debt Service Funds.....	92

**General Fund:**

Comparative Balance Sheet .....	95
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance.....	96

**Special Revenue Funds:**

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (NON-GAAP Basis) and Actual	
Library Fund .....	102
Convention and Visitor's Bureau Fund .....	103
Firemen and Policemen Retirement Fund .....	105

**CITY OF TUPELO**  
**TABLE OF CONTENTS**  
**September 30, 2019**

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS: - Continued**

**Special Revenue Funds: - Continued**

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (NON-GAAP Basis) and Actual

Coliseum Project Fund.....	106
Rental Rehabilitation Fund .....	108
Coliseum Operating Fund .....	109
Narcotics Fund .....	111
Transportation Fund .....	113

**Capital Projects Funds:**

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (NON-GAAP Basis) and Actual:

City Capital Project Fund.....	115
Fairgrounds Construction Fund.....	116
City Infrastructure Fund.....	117
Thoroughfare Fund Phase VI.....	118

**Debt Service Funds:**

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (NON-GAAP Basis) and Actual

City Bond and Interest Fund.....	120
Special Assessments Bond and Interest Fund .....	122
City Tax Increment Fund .....	124
Urban Renewal Bond Fund .....	126
Special Obligation Debt Service Fund.....	128

**CITY OF TUPELO**  
**TABLE OF CONTENTS**  
**September 30, 2019**

**Agency Funds:**

Combining Balance Sheet .....	131
Agency Funds - Combining Statement of Changes in Assets and Liabilities .....	132

**SUPPLEMENTARY INFORMATION:**

Schedule of Investments.....	135
Schedule of Long-Term Debt.....	136
Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections .....	138
Schedule of Surety Bonds for Municipal Officials .....	140
Schedule of Expenditures of Federal Awards.....	141

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL:**

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 <i>Government Auditing Standards</i> .....	144
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	146
Schedule of Findings and Questioned Costs.....	148
Independent Auditors' Report on Compliance With State Laws and Regulations.....	149

## 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 unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2019, 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 31 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, 2018 and ending June 30, 2019.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of September 30, 2019, 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 on pages 11 through 19, the schedule of the City's proportionate share of the net pension liability on page 76, and the schedule of the City's contributions on page 77 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.

### *Supplementary and 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 supplementary 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, supplementary 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 31, 2020 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 effectiveness of the City of Tupelo's 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 31, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# **CITY OF TUPELO, MISSISSIPPI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Required Supplemental Information for the year ended September 30, 2019**

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, 2019. 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 \$263,357,128. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$258,652,808.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66,510,054, an increase of \$15,478,008 in comparison to the prior year. Approximately 32% of the combined fund balances, \$21,073,144 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$129,568,288. Debt in the amount of \$25,900,703 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$15,614,773 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 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 \$263,357,128 at the close of the most recent fiscal year. This is a \$4,704,320 increase over last year's net position of \$258,652,808. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2019 and 2018.



# CITY OF TUPELO, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 78.8% and 79.5%, of the City's net position reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding for the years ended September 30, 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current & Other Assets	\$ 70,556,029	\$ 57,743,746	\$ 61,265,459	\$ 77,014,793	\$ 131,821,488	\$ 134,758,539
Capital Assets	178,410,578	179,476,559	163,574,898	146,992,121	341,985,476	326,468,680
Total Assets	248,966,607	237,220,305	224,840,357	224,006,914	473,806,964	461,227,219
Total Deferred Outflows	1,338,322	1,076,320	499,231	667,734	1,837,553	1,744,054
Current Liabilities	7,633,411	9,709,156	16,783,507	20,447,432	24,416,918	30,156,588
Noncurrent Liabilities	119,544,319	104,404,089	63,940,232	66,074,662	183,484,551	170,478,751
Total Liabilities	127,177,730	114,113,245	80,723,739	86,522,094	207,901,469	200,635,339
Total Deferred Inflows	3,644,111	2,971,642	741,809	711,484	4,385,920	3,683,126
Net Position:						
Net Investment in						
Capital Assets	102,700,501	115,402,506	104,772,788	90,240,706	207,473,289	205,643,212
Restricted	37,255,302	26,749,685	34,152,756	42,161,381	71,408,058	68,911,066
Unrestricted (Deficit)	(20,472,715)	(20,940,453)	4,948,496	5,038,983	(15,524,219)	(15,901,470)
Total Net Position	\$ 119,483,088	\$ 121,211,738	\$ 143,874,040	\$ 137,441,070	\$ 263,357,128	\$ 258,652,808

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of our business-type activities is \$4,948,496. These resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business type activities.

**Changes in net position:** Approximately 11.3% of the City's total revenues come from property taxes, with 36.6% of all revenue coming from some type of tax. (See Table A-2.) This compares to 11.5% and 37.0% for the fiscal year ended September 30, 2018. Another 55.1% 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 5,316,640	\$ 5,483,489	\$ 74,282,102	\$ 73,798,158	\$ 79,598,742	\$ 79,281,647
Operating Grants & Contributions	696,335	428,442	-	-	696,335	428,442
Capital Grants & Contributions	345,971	420,550	4,350,716	3,931,897	4,696,687	4,352,447
General Revenues:						
Property Taxes	16,252,184	15,986,808	-	-	16,252,184	15,986,808
Other Taxes	36,632,112	35,284,988	-	-	36,632,112	35,384,988
Investment Income	838,380	546,986	665,039	340,218	1,503,419	887,204
Gain on Disposal of Assets	721,868	-	1,685,000	-	2,406,868	-
Other	2,605,417	2,522,062	400	705	2,605,817	2,522,767
<b>Total Revenues</b>	<b>63,408,907</b>	<b>60,673,325</b>	<b>80,983,257</b>	<b>78,070,978</b>	<b>144,392,164</b>	<b>138,744,303</b>
<b>Expenses</b>						
General Government	5,995,502	6,027,503	-	-	5,995,502	6,027,503
Public Safety	19,475,719	20,625,662	-	-	19,475,719	20,625,662
Public Works	10,891,143	10,869,017	-	-	10,891,143	10,869,017
Culture & Recreation	10,377,583	10,130,344	-	-	10,377,583	10,130,344
Other Functions	5,113,511	4,664,584	-	-	5,113,511	4,664,584
Capital Projects	3,330,877	4,229,904	-	-	3,330,877	4,229,904
Interest on Long-Term Debt	1,995,408	1,923,404	-	-	1,995,408	1,923,404
Water & Sewer	-	-	10,631,050	10,669,205	10,631,050	10,669,205
Electric	-	-	55,491,953	55,670,376	55,491,953	55,670,376
Solid Waste Management	-	-	3,358,626	3,317,948	3,358,626	3,317,948
N. MS Reg. Water Supp. Dist.	-	-	3,879,982	3,811,558	3,879,982	3,811,558
<b>Total Expenses</b>	<b>57,179,743</b>	<b>58,470,418</b>	<b>73,361,611</b>	<b>73,469,087</b>	<b>130,541,354</b>	<b>131,939,505</b>
Excess of Revenue Over Exp.	6,229,164	2,202,907	7,621,646	4,601,891	13,850,810	6,804,798
Transfers	(7,957,814)	(4,424,333)	(1,188,676)	(1,210,623)	(9,146,490)	(5,634,956)
<b>Change in Net Position</b>	<b>(1,728,650)</b>	<b>(2,221,426)</b>	<b>6,432,970</b>	<b>3,391,268</b>	<b>4,704,320</b>	<b>1,169,842</b>
Net Position—Beginning	121,211,738	123,433,164	137,441,070	134,049,802	258,652,808	257,482,966
<b>Net Position—Ending</b>	<b>\$119,483,088</b>	<b>\$121,211,738</b>	<b>\$143,874,040</b>	<b>\$137,441,070</b>	<b>\$263,357,128</b>	<b>\$258,652,808</b>

# CITY OF TUPELO, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Activities

Governmental activities decreased the City's net position by \$1,728,650. 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 25.6% and charges for services 8.4%.

The largest expense categories for the City's governmental activities are public safety 34.1% and public works 19.1%.

### Business-type Activities

Business-type activities increased the City's net position by \$6,432,970.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$13,028,535 for water and sewer, \$54,768,644 for electric, \$3,506,173 for solid waste management and \$2,978,750 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 \$21,073,144, which comprised 92.6% 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 70.6% of total fund expenditures. The fund balance of the City's general fund increased by \$2,926,913 during the current fiscal year.

**Debt Service Fund**—The debt service fund has a total fund balance of \$9,879,109, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$4,141,538.

**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 \$28,380,674.

# 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 \$5,504,108, 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 \$143,874,040. Changes in net position, which totaled \$6,432,970, were as follows: the electric fund decreased by \$507,097, the water & sewer fund increased by \$3,035,388, the solid waste management fund increased by \$165,538 and Northeast Mississippi Regional Water Supply District increased by \$3,739,141.

### 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 2018 – 2019 general fund budget increased by \$458,287 and an overall operating budget reduction of \$783,760.

### CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$25,472,000 in capital projects from fiscal years 2021 – 2025. 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, 2019, amounted to \$341,985,476, net of accumulated depreciation of \$239,651,166. 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 13,005,307	\$ 12,476,088	\$ 1,858,455	\$ 1,812,708	\$ 14,863,762	\$ 14,288,796
Infrastructure	141,688,248	139,740,699	-	-	141,688,248	139,740,699
Plant, Buildings, Improvements	114,485,672	110,542,457	213,363,948	199,688,078	327,849,620	310,230,535
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	28,401,781	26,602,066	17,814,847	17,406,623	46,216,628	44,008,689
Construction in Progress	9,576,024	10,641,150	34,545,550	26,705,543	44,121,574	37,346,693
Accumulated Depreciation	(128,746,454)	(120,525,901)	(110,904,712)	(105,517,641)	(239,651,166)	(226,043,542)
Total	\$ 178,410,578	\$ 179,476,559	\$ 163,574,898	\$ 146,992,121	\$ 341,985,476	\$ 326,468,680

**Long-term Debt**—At year-end, the City had \$129,568,288 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$ 51,219,078	\$ 56,155,691	\$ 470,922	\$ 619,309	\$ 51,690,000	\$ 56,775,000
Special Assessment Bonds	35,000	70,000	-	-	35,000	70,000
Special Obligation Bonds	-	-	13,960,000	14,675,000	13,960,000	14,675,000
Tax Increment Bonds	270,000	315,000	-	-	270,000	315,000
State Revolving Loans	-	-	386,895	552,664	386,895	552,664
Special Obligation Bonds	15,000,000	-	-	-	15,000,000	-
Notes Payable	5,590,500	5,991,969	37,537,998	38,491,242	43,128,498	44,483,211
Bond Premium	3,595,499	797,296	1,502,396	1,614,187	5,097,895	2,411,483
Total	\$ 75,710,077	\$ 63,329,956	\$ 53,858,211	\$ 55,952,402	\$129,568,288	\$119,282,358

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2020 are summarized as follows:

1. Sales tax revenues will remain flat.
2. Property tax revenue will increase 2%.
3. Interest rates will remain relatively flat.

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 2020 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 increase due to a 3% cost-of-living increase for the full-time employees.

## 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, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<b><u>ASSETS:</u></b>				
Current Assets:				
Cash	\$ 55,124,129	\$ 16,424,981	\$ 71,549,110	\$ 1,440,088
Cash - Restricted	-	3,158,297	3,158,297	-
Investments	6,804,832	-	6,804,832	-
General Property Taxes Receivable	706,074	-	706,074	-
Other Receivables	744,605	363,783	1,108,388	-
Lease Receivable	-	-	-	-
Accounts Receivable, Net	1,716,938	7,050,319	8,767,257	34,558
Accounts Receivable - Restricted	-	331,931	331,931	-
Accrued Interest Receivable - Restricted	-	-	-	-
Unbilled Revenue	-	1,623,711	1,623,711	-
Due from Other Funds	2,300,000	14,167	2,314,167	-
Due from Other Governmental Units	2,435,511	-	2,435,511	474,100
Due from Other Governmental Units - Restricted	-	902,145	902,145	-
Due from Trustee - Restricted	-	-	-	-
Due from Component Units	42,757	-	42,757	-
Inventories	45,769	753,506	799,275	-
Prepaid Expenses	553,954	119,515	673,469	4,619
Other Current Assets	-	115,644	115,644	-
<b>TOTAL CURRENT ASSETS</b>	<b>70,474,569</b>	<b>30,857,999</b>	<b>101,332,568</b>	<b>1,953,365</b>
Noncurrent Assets:				
Cash - Restricted	-	30,083,156	30,083,156	-
Notes Receivable	81,460	231,096	312,556	-
Other Receivables	-	55,281	55,281	-
Other Assets	-	37,927	37,927	-
Capital Assets:				
Land	13,005,307	1,858,455	14,863,762	6,099,049
Plant, Buildings and Improvements	114,485,672	213,363,154	327,848,826	50,125,856
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	28,401,781	17,815,641	46,217,422	1,349,126
Infrastructure	141,688,248	-	141,688,248	-
Construction in Progress	9,576,024	34,545,550	44,121,574	787,376
Accumulated Depreciation	(128,746,454)	(110,904,712)	(239,651,166)	(27,956,598)
<b>TOTAL NONCURRENT ASSETS</b>	<b>178,492,038</b>	<b>193,982,358</b>	<b>372,474,396</b>	<b>30,404,809</b>
<b>TOTAL ASSETS</b>	<b>248,966,607</b>	<b>224,840,357</b>	<b>473,806,964</b>	<b>32,358,174</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred Outflows Related to Pensions	1,338,322	499,231	1,837,553	64,230
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,338,322</b>	<b>\$ 499,231</b>	<b>\$ 1,837,553</b>	<b>\$ 64,230</b>

**CITY OF TUPELO, MISSISSIPPI**  
**STATEMENT OF NET POSITION**

**September 30, 2019**

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<b><u>LIABILITIES:</u></b>				
Current Liabilities:				
Accounts Payable	\$ 601,332	\$ 6,737,102	\$ 7,338,434	\$ 499,083
Accrued Expenses	702,044	194,986	897,030	26,396
Accrued Interest Payable	629,661	230,305	859,966	1,341
Due to Other Funds	-	2,508,058	2,508,058	-
Due to Other Governmental Units and Entities	-	-	-	882,197
Unearned Revenues	1,001,348	-	1,001,348	8,089
Long-Term Debt: Due Within One Year	4,674,713	3,573,439	8,248,152	20,832
Customer and Event Deposits	24,313	3,539,617	3,563,930	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,633,411</b>	<b>16,783,507</b>	<b>24,416,918</b>	<b>1,437,938</b>
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	241,367	241,367	-
Accrued Compensated Absences	1,094,805	109,929	1,204,734	12,877
Due to Other Funds	-	3,210,000	3,210,000	-
Net Pension Liability	47,414,150	10,094,164	57,508,314	979,345
Long-Term Debt: Due in More Than One Year	71,035,364	50,284,772	121,320,136	66,319
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>119,544,319</b>	<b>63,940,232</b>	<b>183,484,551</b>	<b>1,058,541</b>
<b>TOTAL LIABILITIES</b>	<b>127,177,730</b>	<b>80,723,739</b>	<b>207,901,469</b>	<b>2,496,479</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred Inflows Related to Pensions	3,644,111	741,809	4,385,920	32,594
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,644,111</b>	<b>741,809</b>	<b>4,385,920</b>	<b>32,594</b>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	102,700,501	104,772,788	207,473,289	30,170,922
Restricted for:				
Capital Projects	6,543,730	30,985,301	37,529,031	-
Debt Service	9,879,109	3,167,455	13,046,564	-
Special Revenue	19,696,917	-	19,696,917	-
Water Reserve	562,555	-	562,555	-
Home Grant	572,991	-	572,991	-
Unrestricted (Deficit)	(20,472,715)	4,948,496	(15,524,219)	(277,591)
<b>TOTAL NET POSITION</b>	<b>\$ 119,483,088</b>	<b>\$ 143,874,040</b>	<b>\$ 263,357,128</b>	<b>\$ 29,893,331</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 246,660,818</b>	<b>\$ 224,597,779</b>	<b>\$ 471,258,597</b>	<b>\$ 32,389,810</b>

See accompanying notes to financial statements.



**CITY OF TUPELO, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2019**

						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	\$ 5,995,502	\$ 622,986	\$ 19,977	\$ -	\$ 642,963	\$ (5,352,539)	\$ -	\$ (5,352,539)	\$ -
Public Safety	19,475,719	973,843	620,358	80,125	1,674,326	(17,801,393)	-	(17,801,393)	-
Public Works	10,891,143	-	-	51,278	51,278	(10,839,865)	-	(10,839,865)	-
Culture and Recreation	10,377,583	3,719,811	55,000	-	3,774,811	(6,602,772)	-	(6,602,772)	-
Other Functions	5,113,511	-	1,000	-	1,000	(5,112,511)	-	(5,112,511)	-
Capital Projects	3,330,877	-	-	214,568	214,568	(3,116,309)	-	(3,116,309)	-
Interest on Long-Term Debt	1,995,408	-	-	-	-	(1,995,408)	-	(1,995,408)	-
TOTAL GOVERNMENTAL ACTIVITIES	57,179,743	5,316,640	696,335	345,971	6,358,946	(50,820,797)	-	(50,820,797)	-
Business-Type Activities:									
Water and Sewer	10,631,050	13,028,535	-	63,511	13,092,046	-	2,460,996	2,460,996	-
Electric	55,491,953	54,768,644	-	-	54,768,644	-	(723,309)	(723,309)	-
Northeast MS Regional Water Supply Dist.	3,879,982	2,978,750	-	4,287,205	7,265,955	-	3,385,973	3,385,973	-
Solid Waste Management	3,358,626	3,506,173	-	-	3,506,173	-	147,547	147,547	-
TOTAL BUSINESS-TYPE ACTIVITIES	73,361,611	74,282,102	-	4,350,716	78,632,818	-	5,271,207	5,271,207	-
TOTAL PRIMARY GOVERNMENT	\$ 130,541,354	\$ 79,598,742	\$ 696,335	\$ 4,696,687	\$ 84,991,764	\$ (50,820,797)	\$ 5,271,207	\$ (45,549,590)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 6,328,982	\$ 784,404	\$ 3,937,517	\$ 980,301	\$ 5,702,222	\$ -	\$ -	\$ -	\$ (626,760)
GENERAL REVENUES:									
Taxes:						-			
Property Taxes, Levied for General Purposes						\$ 6,389,713	\$ -	\$ 6,389,713	\$ -
Property Taxes, Levied for Capital Outlay						4,937,962	-	4,937,962	-
Property Taxes, Levied for Special Revenue						1,273,998	-	1,273,998	-
Property Taxes, Levied for Debt Service						3,650,511	-	3,650,511	-
Sales Taxes						30,350,027	-	30,350,027	-
County Pro Rata Taxes						1,218,843	-	1,218,843	-
Franchise Taxes						404,294	-	404,294	-
In Lieu Taxes						4,381,324	-	4,381,324	-
Gasoline Taxes & Other Taxes						277,624	-	277,624	-
Homestead Reimbursement						591,418	-	591,418	-
Fire Protection Allocation						203,895	-	203,895	-
Investment Earnings						838,380	665,039	1,503,419	32,785
Gain (Loss) on Disposal of Assets						721,868	1,685,000	2,406,868	-
Miscellaneous						1,810,104	400	1,810,504	-
Transfers (to) from Component Units						(7,957,814)	(1,188,676)	(9,146,490)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						49,092,147	1,161,763	50,253,910	32,785
CHANGE IN NET POSITION						(1,728,650)	6,432,970	4,704,320	(593,975)
NET POSITION--BEGINNING						121,211,738	137,441,070	258,652,808	30,487,306
NET POSITION--ENDING						\$ 119,483,088	\$ 143,874,040	\$ 263,357,128	\$ 29,893,331

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2019**

	General Fund	Water G. O. Bonds Fund	Special Obligation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>ASSETS:</u></b>					
Cash	\$ 18,411,345	\$ 303,631	\$ 14,655,959	\$ 21,753,194	\$ 55,124,129
Investments	-	5,077,544	379,000	1,348,288	6,804,832
General Property Taxes Receivable	303,401	-	-	402,673	706,074
Other Receivable	181,381	-	-	563,224	744,605
Notes Receivable	-	-	-	81,460	81,460
Due from Other Funds	2,300,000	-	-	-	2,300,000
Due from Other Government Units	2,026,899	-	-	408,612	2,435,511
Due from Component Units	42,757	-	-	-	42,757
Prepaid Expenses	514,154	-	-	39,800	553,954
Inventories	22,319	-	-	23,450	45,769
<b>TOTAL ASSETS</b>	<b>\$ 23,802,256</b>	<b>\$ 5,381,175</b>	<b>\$ 15,034,959</b>	<b>\$ 24,620,701</b>	<b>\$ 68,839,091</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>					
<b><u>LIABILITIES:</u></b>					
Accounts Payable	\$ 201,863	\$ -	\$ 27,961	\$ 371,508	\$ 601,332
Accrued Expenses	676,947	-	-	25,097	702,044
Unearned Revenues	177,283	-	-	824,065	1,001,348
Event Deposits	-	-	-	24,313	24,313
<b>TOTAL LIABILITIES</b>	<b>1,056,093</b>	<b>-</b>	<b>27,961</b>	<b>1,244,983</b>	<b>2,329,037</b>
<b><u>FUND BALANCES:</u></b>					
Nonspendable					
Prepaid Expenses	515,154	-	-	39,800	554,954
Inventory	22,319	-	-	23,450	45,769
Restricted for					
Library	-	-	-	77,340	77,340
Tourism Promotion	-	-	-	3,176,675	3,176,675
Public Safety Retirement	-	-	-	45,368	45,368
Law Enforcement	-	-	-	1,390,536	1,390,536
Construction Acquisition of Capital Assets	-	-	15,006,998	6,352,065	21,359,063
Public Safety Equipment	-	-	-	191,665	191,665
Debt Service	-	5,381,175	-	4,497,934	9,879,109
Home Grant	572,991	-	-	-	572,991
Water Reserve	562,555	-	-	-	562,555
Committed to					
Rental Rehabilitation	-	-	-	82,480	82,480
Fairpark Infrastructure	-	-	-	75,517	75,517
Construction Acquisition of Capital Assets	-	-	-	6,754,429	6,754,429
Assigned to					
Coliseum Projects	-	-	-	186,532	186,532
Coliseum Operations	-	-	-	474,416	474,416
Transportation	-	-	-	7,511	7,511
Unassigned	21,073,144	-	-	-	21,073,144
<b>TOTAL FUND BALANCES</b>	<b>22,746,163</b>	<b>5,381,175</b>	<b>15,006,998</b>	<b>23,375,718</b>	<b>66,510,054</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 23,802,256</b>	<b>\$ 5,381,175</b>	<b>\$ 15,034,959</b>	<b>\$ 24,620,701</b>	<b>\$ 68,839,091</b>

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, 2019**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 66,510,054
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.	178,410,578
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.	(72,744,239)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,094,805)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(47,414,150)
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	1,338,322
Deferred inflows of resources related to defined benefit pension plan	(3,644,111)
Accrual of court fine revenues to qualify as financial resources.	1,716,938
Premium on bonds issued are deferred and amortized on the statement of net position.	<u>(3,595,499)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 119,483,088</u></u>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the year ended September 30, 2019**

	General Fund	Water G. O. Bonds Fund	Special Obligation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 7,645,128	\$ -	\$ -	\$ 9,862,471	\$ 17,507,599
Licenses and Permits	1,027,280	-	-	-	1,027,280
Intergovernmental Revenues	27,328,968	3,711,893	-	5,823,967	36,864,828
Charges for Services	694,172	-	-	3,270,988	3,965,160
Fines and Forfeitures	666,255	-	-	60,432	726,687
Miscellaneous Revenues	1,568,806	133,272	42,292	2,872,476	4,616,846
<b>TOTAL REVENUES</b>	<b>38,930,609</b>	<b>3,845,165</b>	<b>42,292</b>	<b>21,890,334</b>	<b>64,708,400</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	5,163,576	-	-	-	5,163,576
Public Safety	16,277,282	-	-	1,285,406	17,562,688
Public Works	5,084,432	-	-	-	5,084,432
Culture and Recreation	4,100,779	-	-	4,963,827	9,064,606
Other Functions	1,034,895	-	-	3,157,707	4,192,602
Capital Projects	-	-	1,012,267	9,462,684	10,474,951
Debt Service	565,988	905,088	-	5,978,737	7,449,813
<b>TOTAL EXPENDITURES</b>	<b>32,226,952</b>	<b>905,088</b>	<b>1,012,267</b>	<b>24,848,361</b>	<b>58,992,668</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,703,657</b>	<b>2,940,077</b>	<b>(969,975)</b>	<b>(2,958,027)</b>	<b>5,715,732</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to Other Funds	(4,420,579)	-	(1,345,147)	(5,513,361)	(11,279,087)
Transfers from Other Funds	643,835	-	-	10,635,252	11,279,087
Transfers to Component Units	-	(8,236,397)	-	-	(8,236,397)
Transfers from Component Units	-	278,583	-	-	278,583
Bond Premium Received	-	702,970	2,322,120	-	3,025,090
Proceeds from Debt Issued and Refunding	-	6,385,000	15,000,000	-	21,385,000
Debt Service - Principal on Refunding Bonds	-	(6,690,000)	-	-	(6,690,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,776,744)</b>	<b>(7,559,844)</b>	<b>15,976,973</b>	<b>5,121,891</b>	<b>9,762,276</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,926,913</b>	<b>(4,619,767)</b>	<b>15,006,998</b>	<b>2,163,864</b>	<b>15,478,008</b>
<b>FUND BALANCES - Beginning</b>	<b>19,819,250</b>	<b>10,000,942</b>	<b>-</b>	<b>21,211,854</b>	<b>51,032,046</b>
<b>FUND BALANCES - Ending</b>	<b>\$ 22,746,163</b>	<b>\$ 5,381,175</b>	<b>\$ 15,006,998</b>	<b>\$ 23,375,718</b>	<b>\$ 66,510,054</b>

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, 2019**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 15,478,008

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. 8,258,166

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. (9,167,847)

Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds. 1,807

Proceeds for lease of building to nonprofit organization reported as lease income on the governmental funds financial statements. The nonprofit ceased operations in 2019 and the capital lease remaining balance was paid. (1,145,000)

The amortization of the discount and premium are reported as a reduction to expense on the statement of activities. 226,887

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. (156,300)

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. (2,691,733)

The change in accrued interest payable is reported as an expense on the statement of activities. 114,436

Repayment and refunding of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 11,803,082

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 (21,385,000)

Premium on issuance of bonds (3,025,090)

Decrease in accrual of compensated absences. (40,066)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,728,650)

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, 2019**

	Budget			Variance with
	Original	Final	Actual	Final Budget (Unfavorable)
<b>REVENUES:</b>				
Taxes	\$ 7,455,429	\$ 7,455,429	\$ 7,393,388	\$ (62,041)
Licenses and Permits	1,003,000	1,003,000	1,053,921	50,921
Intergovernmental Revenues	26,033,000	26,531,068	27,786,079	1,255,011
Charges for Services	754,000	754,000	694,172	(59,828)
Fines and Forfeitures	763,000	763,000	666,255	(96,745)
Miscellaneous Revenues	635,700	638,950	1,562,227	923,277
<b>TOTAL REVENUES</b>	<b>36,644,129</b>	<b>37,145,447</b>	<b>39,156,042</b>	<b>2,010,595</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	5,546,048	5,605,337	5,163,576	441,761
Public Safety	16,842,605	17,271,434	16,277,282	994,152
Public Works	5,451,979	5,461,979	5,084,432	377,547
Culture and Recreation	4,208,440	4,165,409	4,100,779	64,630
Other Functions	1,042,063	1,044,063	1,034,895	9,168
Debt Service	564,791	565,991	565,988	3
<b>TOTAL EXPENDITURES</b>	<b>33,655,926</b>	<b>34,114,213</b>	<b>32,226,952</b>	<b>1,887,261</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,988,203</b>	<b>3,031,234</b>	<b>6,929,090</b>	<b>3,897,856</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Other Funds	643,835	643,835	643,835	-
Transfers to Other Funds	(3,034,579)	(4,420,579)	(4,420,579)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,390,744)</b>	<b>(3,776,744)</b>	<b>(3,776,744)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	<b>\$ 597,459</b>	<b>\$ (745,510)</b>	<b>\$ 3,152,346</b>	<b>\$ 3,897,856</b>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**WATER G.O. BONDS FUND STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS**  
**For the year ended September 30, 2019**

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
State Shared Revenues	\$ 3,600,000	\$ 3,600,000	\$ 3,711,893	\$ 111,893
Miscellaneous Revenues:				
Interest	-	-	133,272	133,272
TOTAL REVENUES	3,600,000	3,600,000	3,845,165	245,165
EXPENDITURES:				
Debt Service:				
General Obligations:				
Bonds Redeemed	325,000	325,000	325,000	-
Interest	333,593	333,593	333,593	-
Paying Agent Fees	9,000	9,000	7,820	1,180
Refunding Bond Issuance Costs	-	238,675	238,675	-
TOTAL EXPENDITURES	667,593	906,268	905,088	1,180
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,932,407	2,693,732	2,940,077	246,345
OTHER FINANCING SOURCES (USES):				
Proceeds from Refunding Bonds	-	6,385,000	6,385,000	-
Bond Premium Received	-	702,970	702,970	-
Debt Service - Principal on Refunding Bonds	-	(6,690,000)	(6,690,000)	-
Transfer (to) From Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	(8,867,203)	(8,867,203)	(7,957,814)	909,389
TOTAL OTHER FINANCING SOURCES (USES)	(8,867,203)	(8,469,233)	(7,559,844)	909,389
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (5,934,796)	\$ (5,775,501)	\$ (4,619,767)	\$ 1,155,734

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**SPECIAL OBLIGATION CAPITAL FUND STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS**  
**For the year ended September 30, 2019**

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous Revenues:				
Interest	-	42,292	42,292	-
<b>TOTAL REVENUES</b>	-	42,292	42,292	-
<b>EXPENDITURES:</b>				
Bond Issue Costs	-	378,999	187,500	191,499
Capital Outlay:				
Capital Outlay	-	15,410,474	824,767	14,585,707
<b>TOTAL EXPENDITURES</b>	-	15,789,473	1,012,267	14,777,206
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(15,747,181)	(969,975)	14,777,206
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Proceeds	-	15,000,000	15,000,000	-
Bond Premium Received	-	2,322,120	2,322,120	-
Transfers Out	-	(1,345,147)	(1,345,147)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	15,976,973	15,976,973	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	\$ -	\$ 229,792	\$ 15,006,998	\$ 14,777,206

See accompanying notes to financial statements.



**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2019**

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>ASSETS</b>					
<b>Current Assets - Unrestricted</b>					
Cash	\$ 9,761,682	\$ 5,344,207	\$ 577	\$ 1,318,515	\$ 16,424,981
Receivables, Net					
Accounts Receivable	7,050,319	-	-	-	7,050,319
Unbilled Revenue	1,359,278	264,433	-	-	1,623,711
Other Receivables	286,645	77,138	-	-	363,783
Due from Other Funds	13,516	-	-	651	14,167
Inventories	634,312	63,360	55,834	-	753,506
Prepaid Expenses	62,842	34,542	22,131	-	119,515
Other Current Assets	115,644	-	-	-	115,644
Current Amount of Restricted Assets	-	-	4,392,373	-	4,392,373
Total Current Assets	<u>19,284,238</u>	<u>5,783,680</u>	<u>4,470,915</u>	<u>1,319,166</u>	<u>30,857,999</u>
<b>Restricted Assets</b>					
Cash	-	-	33,241,453	-	33,241,453
Accounts Receivable	-	-	331,931	-	331,931
Intergovernmental Receivable	-	-	902,145	-	902,145
Total Restricted Assets	-	-	34,475,529	-	34,475,529
Current Amounts Above	-	-	(4,392,373)	-	(4,392,373)
Total Non-Current Restricted Assets	-	-	30,083,156	-	30,083,156
<b>Capital Assets</b>					
Plant and Equipment	57,389,530	132,647,072	40,598,331	543,862	231,178,795
Land and Land Rights	333,013	775,109	750,333	-	1,858,455
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	6,451,144	10,307,481	17,786,925	-	34,545,550
Total	<u>64,173,687</u>	<u>150,626,472</u>	<u>59,135,589</u>	<u>543,862</u>	<u>274,479,610</u>
Less: Accumulated Depreciation	<u>32,333,464</u>	<u>54,038,468</u>	<u>24,091,695</u>	<u>441,085</u>	<u>110,904,712</u>
Net Capital Assets	<u>\$ 31,840,223</u>	<u>\$ 96,588,004</u>	<u>\$ 35,043,894</u>	<u>\$ 102,777</u>	<u>\$ 163,574,898</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2019.

**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2019**

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>Other Assets</b>					
Other Assets	\$ -	\$ 8,900	\$ 29,027	\$ -	\$ 37,927
Receivable from Customers for Energy Conservation Loans	231,096	-	-	-	231,096
Receivable from CSA	55,281	-	-	-	55,281
Total Other Assets	286,377	8,900	29,027	-	324,304
<b>Total Assets</b>	51,410,838	102,380,584	69,626,992	1,421,943	224,840,357
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	359,009	122,375	4,633	13,214	499,231
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Payable from Unrestricted Current Assets:					
Accounts Payable	4,482,808	364,004	-	189,249	5,036,061
Customer and Other Deposits	2,816,256	723,361	-	-	3,539,617
Accrued Interest	40,451	189,491	-	363	230,305
Accrued Expenses	191,717	-	-	-	191,717
Due to Other Funds	34,171	2,295,554	-	-	2,329,725
Total Payable from Unrestricted Current Assets	7,565,403	3,572,410	-	189,612	11,327,425
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	178,333	-	178,333
Accounts Payable	-	-	145,475	-	145,475
Accrued Payroll and Payroll Taxes	-	-	3,269	-	3,269
Construction / Retainage Payable	-	-	1,555,566	-	1,555,566
Bonds, Notes, and Loans Payable	300,000	3,102,627	170,812	-	3,573,439
Total Payable from Restricted Current Assets	300,000	3,102,627	2,053,455	-	5,456,082
Total Current Liabilities	\$ 7,865,403	\$ 6,675,037	\$ 2,053,455	\$ 189,612	\$ 16,783,507

NOTE -- Amounts for the Electric Fund are at June 30, 2019.

**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2019**

-Continued-

<b>Business-Type Activities--Enterprise Funds</b>					
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Northeast Mississippi Regional Water Supply District</b>	<b>Solid Waste Fund (Non-Major)</b>	<b>Total</b>
<b>Long-Term Liabilities - Net of Current Maturities</b>					
Net Pension Liability	\$ 5,429,391	\$ 4,007,453	\$ 175,916	\$ 481,404	\$ 10,094,164
Accrued Compensated Absences	59,915	50,014	-	-	109,929
Due to City of Tupelo					
Water G. O. Bond Fund	-	-	3,210,000	-	3,210,000
Advances from TVA	241,367	-	-	-	241,367
Bonds, Notes, and Loans Payable	<u>5,745,410</u>	<u>44,323,279</u>	<u>216,083</u>	<u>-</u>	<u>50,284,772</u>
Total Long-Term Liabilities	<u>11,476,083</u>	<u>48,380,746</u>	<u>3,601,999</u>	<u>481,404</u>	<u>63,940,232</u>
Total Liabilities	<u>19,341,486</u>	<u>55,055,783</u>	<u>5,655,454</u>	<u>671,016</u>	<u>80,723,739</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	<u>352,917</u>	<u>347,566</u>	<u>2,746</u>	<u>38,580</u>	<u>741,809</u>
<b>Net Position</b>					
Net Investment in Capital Assets	25,794,813	49,162,098	29,713,100	102,777	104,772,788
Restricted for:					
Capital Projects	-	-	30,985,301	-	30,985,301
Operations and Debt Service	-	-	3,167,455	-	3,167,455
Plant Expansion Project	-	-	-	-	-
Unrestricted (Deficit)	<u>6,280,631</u>	<u>(2,062,488)</u>	<u>107,569</u>	<u>622,784</u>	<u>4,948,496</u>
Total Net Position	<u>\$ 32,075,444</u>	<u>\$ 47,099,610</u>	<u>\$ 63,973,425</u>	<u>\$ 725,561</u>	<u>\$ 143,874,040</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2019.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**For the year ended September 30, 2019**

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 53,802,616	\$ 12,760,193	\$ 2,978,750	\$ 3,111,820	\$ 72,653,379
Rents	340,853	146,396	-	-	487,249
Other Revenues	625,175	121,946	-	394,353	1,141,474
Total Operating Revenues	54,768,644	13,028,535	2,978,750	3,506,173	74,282,102
<b>OPERATING EXPENSES</b>					
General and Administrative	1,352,556	679,749	210,324	-	2,242,629
Power Purchased	46,391,727	-	-	-	46,391,727
Transmission Mains	-	968,480	-	-	968,480
Water Operations	-	1,515,934	2,518,581	-	4,034,515
Sewer Operations	-	2,955,614	-	-	2,955,614
Electric Operations	767,014	-	-	-	767,014
Sanitation Operations	-	-	-	3,334,699	3,334,699
Customer Accounting and Collecting	565,111	701,307	-	-	1,266,418
Customer Service and Information	40,103	-	-	-	40,103
Maintenance and Repair	879,634	-	-	-	879,634
Sales Expense	41,607	-	-	-	41,607
Taxes and Equivalents	3,325,950	-	-	-	3,325,950
Amortization and Depreciation	1,917,102	2,853,540	1,136,764	17,079	5,924,485
Total Operating Expenses	55,280,804	9,674,624	3,865,669	3,351,778	72,172,875
Net Operating Income	(512,160)	3,353,911	(886,919)	154,395	2,109,227
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest Income	216,212	78,068	352,768	17,991	665,039
Gain on Disposal of Fixed Assets	-	1,685,000	-	-	1,685,000
Bad Debts	-	(19,402)	-	(6,848)	(26,250)
Interest Expense	(211,149)	(937,024)	(14,313)	-	(1,162,486)
Bond Issuance Cost	-	-	-	-	-
Miscellaneous Income	-	-	400	-	400
Total Non-operating Revenues (Expenses)	5,063	806,642	338,855	11,143	1,161,703
Income (Loss) before Operating Transfers	\$ (507,097)	\$ 4,160,553	\$ (548,064)	\$ 165,538	\$ 3,270,930

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2019.

**CITY OF TUPELO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**For the year ended September 30, 2019**  
-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District for Debt Service	\$ -	\$ (1,188,676)	\$ -	\$ -	\$ (1,188,676)
Total Operating Transfers In (Out)	-	(1,188,676)	-	-	(1,188,676)
Increase (Decrease) in Net Assets Before Capital Contributions	(507,097)	2,971,877	(548,064)	165,538	2,082,254
Capital Grants and Contributions	-	63,511	4,287,205	-	4,350,716
Change in Net Position	(507,097)	3,035,388	3,739,141	165,538	6,432,970
TOTAL NET POSITION -					
Beginning of Year	32,582,541	44,064,222	60,234,284	560,023	137,441,070
TOTAL NET POSITION -					
End of Year	\$ 32,075,444	\$ 47,099,610	\$ 63,973,425	\$ 725,561	\$ 143,874,040

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2019.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the year ended September 30, 2019

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers	\$ 54,776,474	\$ 12,957,410	\$ 2,926,300	\$ 3,429,972	\$ 74,090,156
Payments to Suppliers	(47,075,655)	(5,342,816)	(2,593,724)	(3,043,327)	(58,055,522)
Payments to Employees	(2,130,537)	(1,480,542)	(79,168)	(255,727)	(3,945,974)
Payments for Other Services and Charges	(3,977,117)	-	-	-	(3,977,117)
Other Receipts (Payments)	32,761	22,375	-	86,853	141,989
Net Cash Provided by (Used in) Operating Activities	1,625,926	6,156,427	253,408	217,771	8,253,532
<b>Cash Flows from Noncapital Financing Activities:</b>					
Other Receipts	-	-	400	-	400
Due To (From) Municipality	5,033,098	(3,986,267)	-	6,388	1,053,219
Transfers In (Out)	-	(1,188,676)	-	-	(1,188,676)
Net Cash Provided by (Used In) Noncapital Financing Activities	5,033,098	(5,174,943)	400	6,388	(135,057)
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital Contributions	-	63,511	8,132,433	-	8,195,944
Proceeds from Bonds and Notes Payable	-	1,490,613	-	-	1,490,613
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(168,750)	-	(168,750)
Payments for Debt	(280,000)	(3,027,244)	(165,769)	-	(3,473,013)
Purchase of Capital Assets	(6,151,861)	(4,777,899)	(10,681,667)	-	(21,611,427)
Cost of Removal of Fixed Assets, Net of Salvage	(139,277)	-	-	-	(139,277)
Proceeds from Sale of Capital Assets	-	1,685,000	-	-	1,685,000
Conservation Advances from TVA	(68,548)	-	-	-	(68,548)
Budget Billing Advances	-	-	-	-	-
Interest Paid	(267,090)	(1,006,817)	(14,313)	-	(1,288,220)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(6,906,776)	(5,572,836)	(2,898,066)	-	(15,377,678)
<b>Cash Flows from Investing Activities:</b>					
Receivable from Customers for Energy Conservation Loans	72,371	-	-	-	72,371
(Increase) Decrease in Receivable from CSA	(3,892)	-	-	-	(3,892)
Interest and Dividends	216,212	78,068	414,785	17,991	727,056
Net Cash Provided by (Used In) Investing Activities	284,691	78,068	414,785	17,991	795,535
Net Increase (Decrease) In Cash and Cash Equivalents	36,939	(4,513,284)	(2,229,473)	242,150	(6,463,668)
Cash and Cash Equivalents--Beginning	9,724,743	9,857,491	35,471,503	1,076,365	56,130,102
Cash and Cash Equivalents--Ending	\$ 9,761,682	\$ 5,344,207	\$ 33,242,030	\$ 1,318,515	\$ 49,666,434

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2019.

**CITY OF TUPELO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the year ended September 30, 2019

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (512,160)	\$ 3,353,911	\$ (886,919)	\$ 154,395	\$ 2,109,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	1,917,102	2,853,540	1,136,764	17,079	5,924,485
Net Pension Expense	380,844	210,301	5,972	58,914	656,031
Provision for Uncollectible Accounts	(26,586)	(19,402)	-	(6,848)	(52,836)
Decrease (Increase) in Assets:					
Accounts Receivable	(115,318)	-	(52,450)	-	(167,768)
Unbilled Revenue	201,348	(50,881)	-	-	150,467
Other Receivables	(18,853)	(842)	-	17,500	(2,195)
Inventory	228,114	(10,837)	160	-	217,437
Prepaid Expenses	7	(23,718)	19	-	(23,692)
Other Current Assets	-	-	(7,102)	-	(7,102)
Increase (Decrease) in Liabilities:					
Accounts Payable	(570,712)	(200,018)	56,783	(23,269)	(737,216)
Customer and Other Deposits	(11,280)	46,093	-	-	34,813
Accrued Expenses	153,420	(1,720)	181	-	151,881
Total Adjustments	2,138,086	2,802,516	1,140,327	63,376	6,144,305
Net Cash Provided by (Used in) Operating Activities	\$ 1,625,926	\$ 6,156,427	\$ 253,408	\$ 217,771	\$ 8,253,532
<b>Non-Cash Capital and Related Financing Activity</b>					
Debt Reduction Due to City of Tupelo Bond Refunding	\$ -	\$ -	\$ 152,500	\$ -	\$ 152,500

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2019.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**September 30, 2019**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 682,103
Investments	<u>500</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>682,603</u></b>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 50,709
Due to Complainants	6,964
Due to Arts Committee	754
Due to Insured Employees	408,773
Seized Money Held	<u>215,403</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>682,603</u></b>

See accompanying notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

***Fund Financial Statements***

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and enterprise fund financial statements are on major funds. Each major fund is presented in a separate column. Non-major funds, where applicable, are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Significant revenues considered to be susceptible to accrual in addition to general property taxes include sales tax and various categorical grants. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Types**

**Governmental Funds**

*General Fund* – The General Fund is used to account for all financial resources of the primary government except those required to be accounted for in another fund. The majority of current operations are financed by this fund. Transfers to other funds and agencies are made from this fund. Monies from other funds may be received unless prohibited by the purpose and object of such funds. This is a major fund.

*Debt Service Funds* – Debt Service Funds were established to receive and account for resources restricted for the payment of interest and principal on general improvement and school bonds, and notes and capital leases. These are non-major governmental funds except for the Water G.O. Bonds fund.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 Special Obligation Capital 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, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Component Units

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

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

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

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

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

**Presented As**

Tupelo Public  
Improvement  
Corporation

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

Debt Service  
Fund

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

Northeast  
Mississippi  
Regional Water  
Supply District  
(Water District)

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

Enterprise  
Fund

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

<b><u>Discretely Presented Component Unit</u></b>	<b><u>Description of Activities and Relationship to the City</u></b>
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.

**CAPITAL 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, 2019**

**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.

Deposits: custodial credit risk - 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: *interest rate risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy is to hold all investments to maturity, thereby reducing any interest rate risk. *Credit risk* - 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, 2019**

**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.



**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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, 2019**

**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, 2019, consist of allocations of general property ad valorem taxes of \$795,014 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>\$ 5,451,441</u>
Assumed Rate of Return Used in Plan Evaluation	7.75%
Plan Evaluation Date	June 30, 2019
Plan Assets Available for Benefits as of June 30, 2019	<u>\$ 5,230,000</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, 2019**

**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, 2019**

**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, 2019 is as follows:

	<u>City</u>	<u>TPSD</u>
Real Property	\$ 346,801,455	\$ 14,268,098
Personal Property - Other Than Motor Vehicles & Mobile Homes	92,892,718	27,377,602
Personal Property - Motor Vehicles & Mobile Homes	<u>61,317,856</u>	<u>4,283,246</u>
	<u>\$ 501,012,029</u>	<u>\$ 45,928,946</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>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 - CAPITAL ASSETS**

The following is a summary of capital asset activity as of September 30, 2019:

	<u>Balance Oct. 1, 2018</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2019</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 12,476,088	\$ 529,219	\$ -	\$ 13,005,307
Construction in Progress	<u>10,641,150</u>	<u>4,048,571</u>	<u>(5,113,697)</u>	<u>9,576,024</u>
Total Capital Assets, not being Depreciated:	23,117,238	4,577,790	(5,113,697)	22,581,331
Capital Assets being Depreciated:				
Buildings and Improvements	110,542,457	883,380	3,059,835	114,485,672
Machinery and Equipment	26,602,066	2,796,996	(997,281)	28,401,781
Infrastructure	<u>139,740,699</u>	<u>-</u>	<u>1,947,549</u>	<u>141,688,248</u>
Total Capital Assets, being Depreciated	276,885,222	3,680,376	4,010,103	284,575,701
Less Accumulated Depreciation for:				
Buildings and Improvements	(26,489,786)	(2,834,849)	55,283	(29,269,352)
Machinery and Equipment	(19,298,522)	(1,614,080)	892,011	(20,020,591)
Infrastructure	<u>(74,737,593)</u>	<u>(4,718,918)</u>	<u>-</u>	<u>(79,456,511)</u>
Total Accumulated Depreciation	<u>(120,525,901)</u>	<u>(9,167,847)</u>	<u>947,294</u>	<u>(128,746,454)</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, net</b>	\$ <u><u>179,476,559</u></u>	\$ <u><u>(909,681)</u></u>	\$ <u><u>(156,300)</u></u>	\$ <u><u>178,410,578</u></u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 5 - FIXED ASSETS – continued**

	<u>Balance</u> <u>Oct. 1, 2018</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2019</u>
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 1,812,708	\$ 45,747	\$ -	\$ 1,858,455
Construction in Progress	<u>26,705,543</u>	<u>18,789,746</u>	<u>(10,949,739)</u>	<u>34,545,550</u>
Total Capital Assets, not being Depreciated:	28,518,251	18,835,493	(10,949,739)	36,404,005
Capital Assets being Depreciated:				
Buildings and Improvements	206,583,618	13,727,683	(51,337)	220,259,964
Machinery and Equipment	<u>17,407,893</u>	<u>863,452</u>	<u>(455,704)</u>	<u>17,815,641</u>
Total Capital Assets, being Depreciated	223,991,511	14,591,135	(507,041)	238,075,605
Less Accumulated Depreciation for:				
Buildings and Improvements	(91,472,242)	(5,261,132)	190,614	(96,542,760)
Machinery and Equipment	<u>(14,045,399)</u>	<u>(663,353)</u>	<u>346,800</u>	<u>(14,361,952)</u>
Total Accumulated Depreciation	<u>(105,517,641)</u>	<u>(5,924,485)</u>	<u>537,414</u>	<u>(110,904,712)</u>
<b>Total Business-Type Activities</b>				
<b>Capital Assets, net</b>	\$ <u>146,992,121</u>	\$ <u>27,502,143</u>	\$ <u>(10,919,366)</u>	\$ <u>163,574,898</u>
<b>Discretely Presented Component Unit:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	<u>-</u>	<u>787,376</u>	<u>-</u>	<u>787,376</u>
Total Capital Assets, not being Depreciated:	6,099,049	787,376	-	6,886,425
Capital Assets being Depreciated:				
Buildings and Improvements	50,020,322	105,534	-	50,125,856
Machinery and Equipment	<u>1,289,338</u>	<u>86,102</u>	<u>(26,314)</u>	<u>1,349,126</u>
Total Capital Assets, being Depreciated	51,309,660	191,636	(26,314)	51,474,982
Less Accumulated Depreciation for:				
Buildings and Improvements	(25,580,886)	(1,228,162)	-	(26,809,048)
Machinery and Equipment	<u>(1,128,774)</u>	<u>(45,090)</u>	<u>26,314</u>	<u>(1,147,550)</u>
Total Accumulated Depreciation	<u>(26,709,660)</u>	<u>(1,273,252)</u>	<u>26,314</u>	<u>(27,956,598)</u>
<b>Total Component Unit</b>				
<b>Capital Assets, net</b>	\$ <u>30,699,049</u>	\$ <u>(294,240)</u>	\$ <u>-</u>	\$ <u>30,404,809</u>
<b>Total Capital Assets</b>	\$ <u>357,167,729</u>	\$ <u>26,298,222</u>	\$ <u>(11,075,666)</u>	\$ <u>372,390,285</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 5 - FIXED ASSETS – continued**

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

**Governmental Activities:**

General Government	\$ 1,155,594
Public Safety	991,768
Public Works	5,522,312
Culture and Recreation	<u>1,498,173</u>

<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ <u>9,167,847</u></b>
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**Business-Type Activities:**

Electric Department	\$ 1,917,102
Water and Sewer	2,853,540
Northeast Mississippi Regional Water Supply District	1,136,764
Solid Waste	<u>17,079</u>

<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ <u>5,924,485</u></b>
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<b>Total Depreciation Expense - Discretely Presented Component Unit</b>	<b>\$ <u>1,273,252</u></b>
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**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.

During 2019, the City issued special obligation bonds, series 2019, in the amount of \$15,000,000. The purpose of this bond issue is to provide funds for Coliseum improvements. Also, during 2019, the City issued general obligation water current refunding bonds in the amount of \$6,385,000 to refund the outstanding balances on the 2008 Series general obligation water refunding bonds. As a result, the refunded bonds have been fully redeemed in the current fiscal year and the liability has been removed from the governmental activities column in the statement of net position. The current refunding reduced total debt service payments over the next fifteen years by \$844,131. This results in an economic gain (difference between the present value of the debt service payments on old and new debt) of \$743,048.

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.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 6 - LONG-TERM DEBT – continued**

NOTES PAYABLE AND STATE REVOLVING LOANS

Twelve different capital improvement revolving loans make up the September 30, 2019 notes payable balance and are included in both governmental activities and business-type activities. All twelve of the loans are in repayment status with a total outstanding balance of \$34,759,220. The remaining in progress note totals \$8,369,278.

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.

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	Special Obligation	Notes Payable	Interest	Total
2020	\$ 4,176,613	\$ 35,000	\$ 50,000	\$ -	\$ 413,100	\$ 2,030,248	\$ 6,704,961
2021	4,321,935	-	50,000	-	424,638	1,906,021	6,702,594
2022	4,550,484	-	55,000	-	436,500	2,445,582	7,487,566
2023	3,200,000	-	55,000	-	448,695	2,294,930	5,998,625
2024	3,005,000	-	60,000	305,000	461,232	1,844,355	5,675,587
2025-2029	15,325,046	-	-	1,770,000	1,722,413	9,053,835	27,871,294
2030-2034	10,765,000	-	-	2,265,000	1,683,922	6,329,078	21,043,000
2035-2039	5,875,000	-	-	2,805,000	-	18,579,189	27,259,189
2040-2044	-	-	-	7,855,000	-	31,775,289	39,630,289
<b>Total</b>	<b>\$51,219,078</b>	<b>\$ 35,000</b>	<b>\$ 270,000</b>	<b>\$15,000,000</b>	<b>\$5,590,500</b>	<b>\$76,258,527</b>	<b>\$148,373,105</b>

**Business-Type Activities**

Year Ending September 30,	General Obligation	Special Obligation	Notes Payable	State Revolving Loans	Interest	Total
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	-	855,000	2,679,703	-	652,871	4,187,574
2025-2029	-	4,975,000	9,697,863	-	2,186,384	16,859,247
2030-2034	-	4,950,000	4,819,470	-	775,193	10,544,663
2035-2039	-	-	1,733,589	-	61,655	1,795,244
<b>Total</b>	<b>\$ 470,922</b>	<b>\$13,960,000</b>	<b>\$29,168,720</b>	<b>\$ 386,895</b>	<b>\$6,975,863</b>	<b>\$50,962,400</b>



**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 6 - LONG-TERM DEBT – continued**

**CHANGES IN LONG-TERM LIABILITIES**

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

	<b>Fund Debt Retired By</b>	<b>Balances Oct. 1,</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances Sept. 30</b>	<b>Current Portion</b>
<b>Governmental Activities:</b>						
General Obligation	Debt Service	\$56,155,691	\$6,385,000	\$ 11,321,613	\$51,219,078	\$4,211,613
Special Assessment						
General Obligation	Debt Service	70,000	-	35,000	35,000	-
Limited Obligations						
Tax Increment	Debt Service	315,000	-	45,000	270,000	50,000
Special Obligation Bonds	Debt Service	-	15,000,000	-	15,000,000	-
Notes Payable	General	5,991,969	-	401,469	5,590,500	413,100
Bond Premiums		<u>797,296</u>	<u>3,025,090</u>	<u>226,887</u>	<u>3,595,499</u>	<u>-</u>
<b>Total Governmental Activities</b>		<b><u>\$63,329,956</u></b>	<b><u>\$24,410,090</u></b>	<b><u>\$ 12,029,969</u></b>	<b><u>\$,75,710,077</u></b>	<b><u>\$4,674,713</u></b>
	<b>Fund Debt Retired By</b>	<b>Balances Oct. 1,</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances Sept. 30</b>	<b>Current Portion</b>
<b>Business-Type Activities:</b>						
General Obligation	Water/Sewer	\$ 619,309	\$ -	\$ 148,387	\$ 470,922	\$ 148,387
Special Obligation Bonds	Water/Sewer	8,935,000	-	435,000	8,500,000	465,000
Special Obligation Bonds	Electric*	5,740,000	-	280,000	5,460,000	300,000
Notes Payable	Water/Sewer	38,491,242	1,490,613	2,443,857	37,537,998	2,489,240
State Revolving Loan	NEMSRWSD	552,664	-	165,769	386,895	170,812
Bond Premiums		<u>1,614,187</u>	<u>-</u>	<u>111,791</u>	<u>1,502,396</u>	<u>-</u>
<b>Total Business-Type Activities</b>		<b><u>\$55,952,402</u></b>	<b><u>\$1,490,613</u></b>	<b><u>\$ 3,584,804</u></b>	<b><u>\$53,858,211</u></b>	<b><u>\$3,573,439</u></b>

\*Amounts for Electric Fund are at June 30, 2019.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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><b>Year Ending September 30,</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
2020	\$ 178,333	\$ 138,183	\$ 316,516
2021	186,250	130,931	317,181
2022	195,833	123,481	319,314
2023	205,833	115,648	321,481
2024	207,500	107,415	314,915
2025 - 2029	1,181,250	450,540	1,631,790
2030 - 2034	1,233,334	143,314	1,376,648
	<u>\$ 3,388,333</u>	<u>\$ 1,209,512</u>	<u>\$ 4,597,845</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><b>2019</b></u>
Due to MDA	\$ 87,151
Less Current Portion	<u>20,832</u>
Long-Term Portion	<u>\$ 66,319</u>

Scheduled maturities are as follows:

<u><b>Year Ending September 30,</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
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>23,446</u>
	<u>\$ 87,151</u>	<u>\$ 6,634</u>	<u>\$ 93,785</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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, 2019:

<u><b>Year Ending September 30,</b></u>	
2020	\$ 365,800
2021	366,191
2022	353,385
2023	354,885
2024	356,404
2025 - 2029	1,705,474
2030 - 2034	933,679
2035 - 2037	400,176
Total Minimum Future Rentals	<u>\$ 4,835,994</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND**

Other Assets of the Electric Fund include \$231,096 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, 2019 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,300,000	\$ -
Proprietary Funds:		
Electric Fund	-	5,098
Water and Sewer Fund	4,447	2,300,000
Solid Waste Management Fund	<u>651</u>	<u>-</u>
Total	<u>\$ 2,305,098</u>	<u>\$ 2,305,098</u>

**NOTE 10 - NONCURRENT ASSETS**

The following receivable at September 30, 2019 was 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>81,460</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.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 who 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 that the member is below 65, whichever is less (the actuarial reduction for less than 30 years or below age 65 apply only to those who became members on or after July 1, 2011). Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service.

A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

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

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

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 17.40% 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, 2019). Separate employer contributions and employer allocation percentages are required for each of these entities.

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

For the year ended September 30, 2019, the City of Tupelo's total payroll for all employees was \$17,259,910. Total covered payroll was \$16,740,741.

For the year ended September 30, 2019, the Coliseum Project Fund's total payroll for all employees was \$1,265,265. Total covered payroll was \$890,265.

For the year ended September 30, 2019, the Water District's total payroll for all employees was \$63,973. Total covered payroll was also \$63,973.

For the year ended September 30, 2019, the Tupelo Airport Authority's total payroll for all employees was \$398,333. Total covered payroll was \$359,150.

For the year ended September 30, 2019, the Water and Sewer Fund's total payroll for all employees was \$1,482,662. Total covered payroll was \$1,462,847.

For the year ended June 30, 2019, the Electric Fund's total payroll for all employees was \$2,119,257. Total covered payroll was \$2,104,997.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the City of Tupelo reported a liability of \$45,415,438 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 \$2,480,116 for its proportionate share. The Water District reported \$175,916, the Tupelo Airport Authority reported \$979,345, and the Water and Sewer Fund reported \$4,007,453. The Electric Fund as of June 30, 2019 reported a liability of \$5,429,391 for its proportionate share of the net pension liability.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

The net pension liability was measured as of June 30, 2019, 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, 2019, the City of Tupelo's proportion was 0.25816 percent. At June 30, 2019, the proportionate share for the Coliseum Project Fund was 0.01410 percent. At June 30, 2019, the proportionate share for the Water District was 0.0010 percent. At June 30, 2019, the proportionate share for the Tupelo Airport Authority was 0.00557 percent. At June 30, 2018, the proportionate share for the Water and Sewer Fund was 0.02278 percent.

For the Electric Fund, 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. At June 30, 2018, the Electric Fund's proportion was 0.03264 percent.

For the year ended September 30, 2019, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$2,570,439. At September 30, 2019, the City of Tupelo 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	\$ 26,867	\$ 48,885
Net Difference Between Projected and Actual Investment Earnings	-	496,868
City Pension Contributions Subsequent to the Measurement Date	774,495	-
Changes of Assumptions	445,256	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	3,093,850
Total	\$ <u>1,246,618</u>	\$ <u>3,639,603</u>

The \$774,495 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, 2020. 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
2020	\$ (1,108,184)
2021	(1,744,178)
2022	(522,462)
2023	207,344
Total	\$ <u>(3,167,480)</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

For the year ended September 30, 2019, the Coliseum Project Fund recognized pension expense of \$180,208. At September 30, 2019, 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	\$ 1,467	\$ 2,670
Net Difference Between Projected and Actual Investment Earnings	-	27,133
Coliseum Pension Contributions Subsequent to the Measurement Date	37,431	-
Changes of Assumptions	24,315	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	41,705	13,285
Total	\$ <u>104,918</u>	\$ <u>43,088</u>

The \$37,431 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, 2020. 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
2020	\$ 22,462
2021	(16,757)
2022	7,371
2023	11,323
Total	\$ <u>24,399</u>

For the year ended September 30, 2019, the Water District recognized pension expense of \$16,314. At September 30, 2019, 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	\$ 104	\$ 189
Net Difference Between Projected and Actual Investment Earnings	-	1,924
Water District Pension Contributions Subsequent to the Measurement Date	2,806	-
Changes of Assumptions	1,723	633
Total	\$ <u>4,633</u>	\$ <u>2,746</u>



**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

The \$2,806 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
2020	\$ 544
2021	(2,711)
2022	445
2023	803
Total	\$ <u>(919)</u>

For the year ended September 30, 2019, the Tupelo Airport Authority recognized pension expense of \$62,835. At September 30, 2019, the Tupelo Airport Authority 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	\$ 579	\$ 1,054
Net Difference Between Projected and Actual Investment Earnings	-	10,714
TAA's Pension Contributions Subsequent to the Measurement Date	13,837	-
Changes of Assumptions	9,602	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	40,212	20,826
Total	\$ <u>64,230</u>	\$ <u>32,594</u>

The \$13,837 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, 2020. 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
2020	\$ 19,701
2021	(15,524)
2022	9,150
2023	4,472
Total	\$ <u>17,799</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

For the year ended September 30, 2019, the Water and Sewer Fund recognized pension expense of \$210,301. At September 30, 2019, 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	\$ 2,371	\$ 4,314
Net Difference Between Projected and Actual Investment Earnings	-	43,843
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	66,465	-
Changes of Assumptions	39,289	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	14,250	299,409
Total	\$ <u>122,375</u>	\$ <u>347,566</u>

The \$66,465 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, 2020. 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
2020	\$ (108,368)
2021	(168,826)
2022	(32,759)
2023	18,297
Total	\$ <u>(291,656)</u>

For the year ended June 30, 2019, the Electric Fund recognized pension expense of \$380,844. At June 30, 2019, the Electric Fund 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, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 23,802	\$ 22,888
Net Difference Between Projected and Actual Investment Earnings	-	107,929
Electric Fund's Pension Contributions Subsequent to the Measurement Date	331,537	-
Changes of Assumptions	3,204	2,999
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	466	219,101
Total	\$ <u>359,009</u>	\$ <u>352,917</u>

The \$331,537 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, 2020. 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
2020	\$ (50,666)
2021	(79,943)
2022	(170,420)
2023	(24,416)
Total	\$ <u>(325,445)</u>

Actuarial Assumptions - The City of Tupelo total pension liability was determined by an actuarial valuation as of June 30, 2018 and a measurement date determined of June 30, 2019 using standard rollforward techniques, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Actuarial Assumptions - The Electric Fund 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, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

Mortality rates for June 30, 2019 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, 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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Domestic Equity	27.00	%	4.90	%
International Equity	22.00		4.75	
Global Equity	12.00		5.00	
Debt Securities	20.00		1.50	
Real Estate	10.00		4.00	
Private Equity	8.00		6.25	
Cash Equivalents	1.00		0.25	
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 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.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued**

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, 2019 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%	\$ 56,539,234
Current Discount Rate	7.75%	45,415,438
1% Increase	8.75%	32,387,897
Coliseum Project Fund's		
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 3,087,582
Current Discount Rate	7.75%	2,480,116
1% Increase	8.75%	1,768,689
Northeast MS Regional Water District's		
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 231,253
Current Discount Rate	7.75%	175,916
1% Increase	8.75%	130,247
Tupelo Airport Authority's		
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 1,287,383
Current Discount Rate	7.75%	979,345
1% Increase	8.75%	725,087
Water and Sewer Fund's		
	Discount Rate	Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 4,989,016
Current Discount Rate	7.75%	4,007,453
1% Increase	8.75%	2,857,904

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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%	\$ 7,148,950
Current Discount Rate	7.75%	5,429,391
1% Increase	8.75%	4,095,200

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	\$ 4,420,579	\$ 643,835
Special Revenue Funds:		
CVB Fund	3,497,013	-
Coliseum Project Fund	1,969,972	1,915,120
Coliseum Operating Fund	-	659,822
Narcotics Fund	46,376	-
Debt Service Funds:		
City Bond and Interest Fund	-	1,407,163
Special Obligation Debt Service Fund		1,345,147
Capital Projects Funds:		
City Infrastructure Fund	-	5,308,000
Special Obligation Capital Fund	<u>1,345,147</u>	<u>-</u>
Total	<u>\$ 11,279,087</u>	<u>\$ 11,279,087</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	\$ 8,236,397	\$ 278,583
Enterprise Fund:		
Water and Sewer Fund	<u>1,188,676</u>	<u>-</u>
Total	<u>\$ 9,425,073</u>	<u>\$ 278,583</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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	\$ 278,583
Transfers to Water District reported as Water Sales by Water District	(1,188,676)
Transfer to Water District reported as Contributed Capital by Water District	<u>(8,236,397)</u>
Difference	<u>\$ (9,146,490)</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, 2019, 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>6,805,332</u>	\$ <u>6,805,332</u>
Total Investments				\$ <u>6,805,332</u>	\$ <u>6,805,332</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, 2019, 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, 2019, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2019, for the Electric Fund and has been reflected in these financial statements.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 \$74,110 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 \$9,380,381 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 20. 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. On May 31, 2019, the City refunded the remaining portion of the 2008 Water Refunding Bonds with the 2019 \$6,385,000 General Obligation Water Refunding Bonds. Although refunded, the bond covenants and agreements from the Series 1989 issue remain in effect.



**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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, 2019 was \$1,188,676.

**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, 2019, was \$0, 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, 2019**

**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, 2019 (its year-end) of \$6,245,884. This represented approximately 11.3% 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, 2019**

**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.

<b>Governmental Fund Types</b>				
	<b>General Fund</b>		<b>Water G.O. Bond Fund</b>	<b>Special Obligation Capital Fund</b>
Budget (Cash Basis)	\$ 3,152,346	\$	5,381,175	\$ 15,006,998
Increase (Decrease) Net adjustments for revenue accruals	(225,433)		-	-
GAAP Basis	\$ 2,926,913	\$	5,381,175	\$ 15,006,998

**NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS**

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

<b><u>To Be Paid By</u></b>	<b><u>Description</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Expended through September 30, 2019</u></b>	<b><u>Remaining Commitment at September 30, 2019</u></b>
General City	Ballard Park Baseball Complex	\$ 1,559,278	\$ 1,516,752	\$ 42,526
		\$ 1,559,278	\$ 1,516,762	\$ 42,526

**NOTE 27 - INTERFUND TRANSACTIONS**

Interfund transactions are either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services, deemed to be reasonably equivalent in value, are treated as revenues and expenditures / expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers within governmental activities or within business-type activities are eliminated upon consolidations in the government-wide statements.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 seventy-tax abatement agreements with eighteen entities as of September 30, 2019.

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	\$519,691

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**

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management evaluated the activity of the City through March 31, 2020, (the date the financial statements were available to be issued) and noted the following items which require disclosure in the notes to the financial statements. In October 2019, the City awarded bids for Coliseum improvements and additions in the amount of \$13,251,707.

Date of Management Evaluation

Management has evaluated subsequent events through March 31, 2020, 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 five years ended September 30, 2019\***

	2019	2018	2017	2016	2015
City of Tupelo's proportion of net pension liability (%)	0.25816 %	0.26055 %	0.25163 %	0.24688 %	0.24395 %
City of Tupelo's proportionate share of net pension liability	\$ 45,415,438	\$ 43,336,374	\$ 41,829,447	\$ 44,099,290	\$ 37,934,001
City of Tupelo's covered payroll	\$ 16,740,741	\$ 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 payroll (%)	271.29 %	260.46 %	259.13 %	273.57 %	246.52 %
Coliseum Project Fund's proportion of net pension liability (%)	0.01410 %	0.01339 %	0.01201 %	0.01180 %	0.01220 %
Coliseum Project Fund's proportionate share of net pension liability	\$ 2,480,116	\$ 2,225,540	\$ 1,996,802	\$ 2,114,562	\$ 1,885,789
Coliseum Project Fund's covered payroll	\$ 890,265	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435
Coliseum Project Fund's proportionate share of net pension liability as a percentage of its covered payroll (%)	278.58 %	260.31 %	259.14 %	267.78 %	250.30 %
Water District's proportion of net pension liability (%)	0.00100 %	0.00100 %	0.00100 %	0.00100 %	0.00100 %
Water District's proportionate share of net pension liability	\$ 175,916	\$ 166,326	\$ 166,232	\$ 178,624	\$ 154,580
Water District's covered payroll	\$ 63,973	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200
Water District's proportionate share of net pension liability as a percentage of its covered payroll (%)	274.99 %	268.54 %	275.62 %	304.94 %	270.25 %
TAA's proportion of net pension liability (%)	0.00557 %	0.00539 %	0.00565 %	0.00458 %	0.00528 %
TAA's proportionate share of net pension liability	\$ 979,345	\$ 895,685	\$ 938,557	\$ 818,460	\$ 815,566
TAA's covered payroll	\$ 359,150	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	272.68 %	256.80 %	273.59 %	264.75 %	259.23 %
Water and Sewer Fund's proportion of net pension liability (%)	0.02278 %	0.02268 %	0.02203 %	0.02119 %	0.02120 %
Water and Sewer Fund's proportionate share of net pension liability	\$ 4,007,453	\$ 3,770,794	\$ 3,662,767	\$ 3,784,849	\$ 3,273,406
Water and Sewer Fund's covered payroll	\$ 1,462,847	\$ 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 payroll (%)	273.95 %	260.31 %	259.13 %	273.15 %	245.66 %
**Electric Fund's proportion of net pension liability (%)	0.03264 %	0.03171 %	0.03049 %	0.03047 %	0.03201 %
Electric Fund's proportionate share of net pension liability	\$ 5,429,391	\$ 5,270,811	\$ 5,446,490	\$ 4,560,118	\$ 3,580,761
Electric Fund's covered payroll	\$ 2,104,997	\$ 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 payroll (%)	257.93 %	255.22 %	262.60 %	231.74 %	188.09 %
Plan fiduciary net position as a percentage of total pension liability	61.59 %	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, 2019.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Schedule of the City's Contributions**  
**For the six years ended September 30, 2019\***

		2019	2018	2017	2016	2015	2014
City of Tupelo							
Statutorily required contributions	\$	2,710,110	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Actual contributions	\$	2,710,110	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
City of Tupelo's covered payroll	\$	16,740,741	\$ 16,638,298	\$ 16,142,216	\$ 16,119,683	\$ 15,387,575	\$ 15,093,663
Contributions as a % of covered payroll		16.19 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Coliseum Project Fund							
Statutorily required contributions	\$	143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Actual contributions	\$	143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Coliseum's covered payroll	\$	890,265	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435	\$ 777,162
Contributions as a % of covered payroll		16.15 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water District							
Statutorily required contributions	\$	10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Actual contributions	\$	10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Water District's covered payroll	\$	63,973	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200	\$ 56,610
Contributions as a % of covered payroll		16.17 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Tupelo Airport Authority							
Statutorily required contributions	\$	57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Actual contributions	\$	57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Tupelo Airport Authority's covered payroll	\$	359,150	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616	\$ 344,133
Contributions as a % of covered payroll		16.12 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water and Sewer Fund							
Statutorily required contributions	\$	236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Actual contributions	\$	236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer Fund's covered payroll	\$	1,462,847	\$ 1,448,571	\$ 1,413,467	\$ 1,385,638	\$ 1,332,493	\$ 1,356,775
Contributions as a % of covered payroll		16.18 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Electric Fund*							
Statutorily required contributions	\$	331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Actual contributions	\$	331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Department's covered payroll	\$	2,104,997	\$ 2,065,238	\$ 2,074,070	\$ 1,967,778	\$ 1,903,784	\$ 1,956,483
Contributions as a % of covered payroll		15.75 %	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.

Contribution rate changed to 17.40% on July 1, 2019. \* Amounts for the Electric Fund are at June 30, 2019.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Notes to the Required Supplementary Information**  
**For the year ended September 30, 2019**

**Changes of Assumptions**

2019 The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

- For males, 137% of male rates at all ages.
- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality 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 7% to 9%.

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.



**CITY OF TUPELO, MISSISSIPPI**  
**Notes to the Required Supplementary Information**  
**For the year ended September 30, 2019**

**Changes of Assumptions (continued)**

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

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

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

**Changes of Benefit Provisions**

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

## COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

**CITY OF TUPELO, MISSISSIPPI**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
September 30, 2019

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<b><u>ASSETS:</u></b>				
Cash	\$ 5,653,944	\$ 13,311,426	\$ 2,787,824	\$ 21,753,194
Investments	-	-	1,348,288	1,348,288
General Property Taxes Receivable	53,194	206,182	143,297	402,673
Other Receivable	343,199	-	220,025	563,224
Notes Receivable	81,460	-	-	81,460
Due from Other Government Units	408,612	-	-	408,612
Inventories	23,450	-	-	23,450
Prepaid Expenses	39,800	-	-	39,800
<b>TOTAL ASSETS</b>	<b>\$ 6,603,659</b>	<b>\$ 13,517,608</b>	<b>\$ 4,499,434</b>	<b>\$ 24,620,701</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$ 226,076	\$ 143,932	\$ 1,500	\$ 371,508
Accrued Expenses	25,097	-	-	25,097
Unearned Revenues	824,065	-	-	824,065
Event Deposits	24,313	-	-	24,313
<b>TOTAL LIABILITIES</b>	<b>1,099,551</b>	<b>143,932</b>	<b>1,500</b>	<b>1,244,983</b>
<b><u>FUND BALANCES:</u></b>				
Nonspendable				
Prepaid Expenses	39,800	-	-	39,800
Inventory	23,450	-	-	23,450
Restricted for				
Library	77,340	-	-	77,340
Tourism Promotion	3,176,675	-	-	3,176,675
Public Safety Retirement	45,368	-	-	45,368
Law Enforcement	1,390,536	-	-	1,390,536
Construction Acquisition of Capital Assets	-	6,352,065	-	6,352,065
Public Safety Equipment	-	191,665	-	191,665
Debt Service	-	-	4,497,934	4,497,934
Committed to				
Rental Rehabilitation	82,480	-	-	82,480
Fairpark Infrastructure	-	75,517	-	75,517
Construction Acquisition of Capital Assets	-	6,754,429	-	6,754,429
Assigned to				
Coliseum Projects	186,532	-	-	186,532
Coliseum Operations	474,416	-	-	474,416
Transportation	7,511	-	-	7,511
<b>TOTAL FUND BALANCES</b>	<b>5,504,108</b>	<b>13,373,676</b>	<b>4,497,934</b>	<b>23,375,718</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,603,659</b>	<b>\$ 13,517,608</b>	<b>\$ 4,499,434</b>	<b>\$ 24,620,701</b>

**CITY OF TUPELO, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
Year Ended September 30, 2019

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 1,273,998	\$ 4,937,962	\$ 3,650,511	\$ 9,862,471
Intergovernmental Revenues	5,204,100	493,278	126,589	5,823,967
Fines and Forfeitures	60,432	-	-	60,432
Charges for Services	3,270,988	-	-	3,270,988
Miscellaneous Revenues	951,919	399,925	1,520,632	2,872,476
<b>TOTAL REVENUES</b>	<b>10,761,437</b>	<b>5,831,165</b>	<b>5,297,732</b>	<b>21,890,334</b>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	1,285,406	-	-	1,285,406
Culture and Recreation	4,963,827	-	-	4,963,827
Other Functions	3,157,707	-	-	3,157,707
Capital Projects	-	9,462,684	-	9,462,684
Debt Service	-	-	5,978,737	5,978,737
<b>TOTAL EXPENDITURES</b>	<b>9,406,940</b>	<b>9,462,684</b>	<b>5,978,737</b>	<b>24,848,361</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,354,497</b>	<b>(3,631,519)</b>	<b>(681,005)</b>	<b>(2,958,027)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	2,574,942	5,308,000	2,752,310	10,635,252
Transfers to Other Funds	(5,513,361)	-	-	(5,513,361)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,938,419)</b>	<b>5,308,000</b>	<b>2,752,310</b>	<b>5,121,891</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,583,922)</b>	<b>1,676,481</b>	<b>2,071,305</b>	<b>2,163,864</b>
<b>FUND BALANCES - Beginning</b>	<b>7,088,030</b>	<b>11,697,195</b>	<b>2,426,629</b>	<b>21,211,854</b>
<b>FUND BALANCES - Ending</b>	<b>\$ 5,504,108</b>	<b>\$ 13,373,676</b>	<b>\$ 4,497,934</b>	<b>\$ 23,375,718</b>

**CITY OF TUPELO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
September 30, 2019  
With Comparative Totals for September 30, 2018

	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	
									9/30/2019	9/30/2018
<b>ASSETS</b>										
Cash	\$ 57,341	\$ 2,900,742	\$ 12,173	\$ 186,532	\$ 1,020	\$ 1,078,761	\$ 1,393,753	\$ 23,622	\$ 5,653,944	\$ 7,599,829
Receivables:										
Notes	-	-	-	-	81,460	-	-	-	81,460	92,438
Other	-	13,941	-	-	-	329,258	-	-	343,199	280,734
General Property Taxes	19,999	-	33,195	-	-	-	-	-	53,194	10,288
Due from Other										
Governmental Units	-	408,612	-	-	-	-	-	-	408,612	298,711
Inventories	-	-	-	-	-	23,450	-	-	23,450	25,970
Prepaid Expenses	-	-	-	-	-	39,800	-	-	39,800	-
<b>TOTAL ASSETS</b>	<b>\$ 77,340</b>	<b>\$ 3,323,295</b>	<b>\$ 45,368</b>	<b>\$ 186,532</b>	<b>\$ 82,480</b>	<b>\$ 1,471,269</b>	<b>\$ 1,393,753</b>	<b>\$ 23,622</b>	<b>\$ 6,603,659</b>	<b>\$ 8,307,970</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts Payable	\$ -	\$ 146,620	\$ -	\$ -	\$ -	\$ 60,128	\$ 3,217	\$ 16,111	\$ 226,076	\$ 199,734
Accrued Expenses	-	-	-	-	-	25,097	-	-	25,097	67,589
Unearned Revenues	-	-	-	-	-	824,065	-	-	824,065	943,533
Event Deposits	-	-	-	-	-	24,313	-	-	24,313	9,084
Total Liabilities	-	146,620	-	-	-	933,603	3,217	16,111	1,099,551	1,219,940
Fund Balances:										
Nonspendable										
Prepaid Expenses	-	-	-	-	-	39,800	-	-	39,800	-
Inventory	-	-	-	-	-	23,450	-	-	23,450	25,970
Restricted for										
Library	77,340	-	-	-	-	-	-	-	77,340	74,986
Tourism Promotion	-	3,176,675	-	-	-	-	-	-	3,176,675	3,890,154
Public Safety Retirement	-	-	45,368	-	-	-	-	-	45,368	39,658
Law Enforcement	-	-	-	-	-	-	1,390,536	-	1,390,536	1,738,671
Committed to										
Rental Rehabilitation	-	-	-	-	82,480	-	-	-	82,480	93,422
Assigned to										
Coliseum Projects	-	-	-	186,532	-	-	-	-	186,532	231,423
Coliseum Operations	-	-	-	-	-	474,416	-	-	474,416	768,746
Transportation	-	-	-	-	-	-	-	7,511	7,511	225,000
Total Fund Balances	77,340	3,176,675	45,368	186,532	82,480	537,666	1,390,536	7,511	5,504,108	7,088,030
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 77,340</b>	<b>\$ 3,323,295</b>	<b>\$ 45,368</b>	<b>\$ 186,532</b>	<b>\$ 82,480</b>	<b>\$ 1,471,269</b>	<b>\$ 1,393,753</b>	<b>\$ 23,622</b>	<b>\$ 6,603,659</b>	<b>\$ 8,307,970</b>

**CITY OF TUPELO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

	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	
									9/30/2019	9/30/2018
<b>REVENUES</b>										
Taxes:										
General Property Taxes	\$ 478,984	\$ -	\$ 795,014	\$ -	\$ -	\$ -	\$ -	\$ -	1,273,998	\$ 1,246,916
Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenues:										
Federal Shared Revenues	-	-	-	-	-	-	-	-	-	6,900
State Shared Revenues	17,668	5,157,107	29,325	-	-	-	-	-	5,204,100	4,445,858
Fines and Forfeitures	-	-	-	-	-	-	60,432	-	60,432	117,330
Charges for Sales and Services:										
Commissions	-	-	-	-	-	51,843	-	-	51,843	17,410
Concessions & Other Sales	-	-	-	-	-	611,242	-	-	611,242	637,876
Direct Show Revenue	-	-	-	-	-	57,255	-	-	57,255	49,872
Parking	-	-	-	-	-	2,331	-	-	2,331	7,998
Service Charge	-	-	-	-	-	414,087	-	-	414,087	394,990
Rental Revenue	-	-	-	-	-	1,800,977	-	-	1,800,977	1,909,103
Personnel Service Fees	-	-	-	-	-	333,253	-	-	333,253	289,659
Miscellaneous Revenues:										
Interest	156	52,514	365	9,961	14	18,874	23,299	-	105,183	74,539
Advertising Agency Fee	-	1,000	-	-	-	480,838	-	-	481,838	448,387
Other	-	7,721	-	-	-	276,255	80,922	-	364,898	457,011
<b>TOTAL REVENUES</b>	<u>496,808</u>	<u>5,218,342</u>	<u>824,704</u>	<u>9,961</u>	<u>14</u>	<u>4,046,955</u>	<u>164,653</u>	<u>-</u>	<u>10,761,437</u>	<u>10,103,849</u>

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

-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	
									9/30/2019	9/30/2018
<b>EXPENDITURES</b>										
Public Safety:										
Police Department:										
Personnel Services	\$ -	\$ -	\$ 573,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,296	\$ 577,500
Supplies	-	-	-	-	-	-	29,597	-	29,597	12,804
Other Services and Charges	-	-	-	-	-	-	163,244	-	163,244	170,937
Capital Outlay	-	-	-	-	-	-	273,571	-	273,571	89,985
Fire Department:										
Personnel Services	-	-	245,698	-	-	-	-	-	245,698	247,500
Total Public Safety	-	-	818,994	-	-	-	466,412	-	1,285,406	1,098,726
Culture and Recreation:										
Tupelo Coliseum:										
Personnel Services	-	-	-	-	-	1,627,207	-	-	1,627,207	1,554,285
Supplies	-	-	-	-	-	392,286	-	-	392,286	477,397
Other Services and Charges	-	-	-	-	-	2,554,966	-	-	2,554,966	2,391,437
Capital Outlay	-	-	-	-	-	389,368	-	-	389,368	411,986
Total Culture and Recreation	-	-	-	-	-	4,963,827	-	-	4,963,827	4,835,105

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

-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	
									9/30/2019	9/30/2018
<b>EXPENDITURES</b>										
- Continued										
Other Functions:										
Community Services:										
Personnel Services	\$ -	\$ 704,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,138	\$ 706,219
Supplies	-	15,531	-	-	-	-	-	-	15,531	20,321
Other Services and Charges	494,454	1,681,228	-	-	10,956	-	-	217,489	2,404,127	1,982,386
Capital Outlay	-	33,911	-	-	-	-	-	-	33,911	1,460,441
Total Other Functions	494,454	2,434,808	-	-	10,956	-	-	217,489	3,157,707	4,169,367
<b>TOTAL EXPENDITURES</b>	494,454	2,434,808	818,994	-	10,956	4,963,827	466,412	217,489	9,406,940	10,103,198
<b>EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES</b>	2,354	2,783,534	5,710	9,961	(10,942)	(916,872)	(301,759)	(217,489)	1,354,497	651



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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018  
-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	
									9/30/2019	9/30/2018
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 1,915,120	\$ -	\$ 659,822	\$ -	\$ -	\$ 2,574,942	\$ 2,886,366
Transfers to Other Funds	-	(3,497,013)	-	(1,969,972)	-	-	(46,376)	-	(5,513,361)	(3,513,606)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(3,497,013)	-	(54,852)	-	659,822	(46,376)	-	(2,938,419)	(627,240)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	2,354	(713,479)	5,710	(44,891)	(10,942)	(257,050)	(348,135)	(217,489)	(1,583,922)	(626,589)
<b>FUND BALANCES - Beginning of Year</b>	74,986	3,890,154	39,658	231,423	93,422	794,716	1,738,671	225,000	7,088,030	7,714,619
<b>FUND BALANCES - End of Year</b>	\$ 77,340	\$ 3,176,675	\$ 45,368	\$ 186,532	\$ 82,480	\$ 537,666	\$ 1,390,536	\$ 7,511	\$ 5,504,108	\$ 7,088,030

**CITY OF TUPELO**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
September 30, 2019  
With Comparative Totals for September 30, 2018

	City Capital Project Fund	Fairgrounds Construction Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI	Totals	
					9/30/2019	9/30/2018
<b>ASSETS</b>						
Cash	\$ 346,885	\$ 75,517	\$ 6,731,978	\$ 6,157,046	\$ 13,311,426	\$ 13,061,892
Receivables:						
General Property Taxes	-	-	-	206,182	206,182	39,877
Other	-	-	-	-	-	35,215
<b>TOTAL ASSETS</b>	<b>\$ 346,885</b>	<b>\$ 75,517</b>	<b>\$ 6,731,978</b>	<b>6,363,228</b>	<b>\$ 13,517,608</b>	<b>\$ 13,136,984</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 33,475	\$ 110,457	\$ 143,932	\$ 1,439,789
Total Liabilities	-	-	33,475	110,457	143,932	1,439,789
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	99,294	6,252,771	6,352,065	7,835,979
Public Safety Equipment	191,665	-	-	-	191,665	187,650
Committed to						
Fairpark Infrastructure	-	75,517	-	-	75,517	181,790
Construction Acquisition of Capital Assets	155,220	-	6,599,209	-	6,754,429	3,491,776
Total Fund Balances	346,885	75,517	6,698,503	6,252,771	13,373,676	11,697,195
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 346,885</b>	<b>\$ 75,517</b>	<b>\$ 6,731,978</b>	<b>\$ 6,363,228</b>	<b>\$ 13,517,608</b>	<b>\$ 13,136,984</b>

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

-60-

	City Capital Project Fund	Fairgrounds Construction Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI	Totals	
					9/30/2019	9/30/2018
<b>REVENUES</b>						
Taxes:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 4,937,962	\$ 4,937,962	\$ 4,832,671
Intergovernmental Revenues:						
State Shared Revenues	60,824	-	-	182,143	242,967	172,569
Federal Grants	-	51,278	165,073	-	216,351	267,550
Other Grants	-	-	33,960	-	33,960	2,600
Miscellaneous Revenues:						
Interest	4,657	1,595	67,485	86,397	160,134	137,082
Donations	-	-	15,535	-	15,535	-
Other	-	5,000	219,256	-	224,256	310,485
<b>TOTAL REVENUES</b>	<u>65,481</u>	<u>57,873</u>	<u>501,309</u>	<u>5,206,502</u>	<u>5,831,165</u>	<u>5,722,957</u>
<b>EXPENDITURES</b>						
Bond Issue Costs	-	-	-	-	-	200,000
Personnel Services	-	-	-	64,337	64,337	93,979
Other Services and Charges	-	-	1,683,319	1,395,721	3,079,040	3,935,925
Capital Outlay	61,466	164,146	4,156,396	1,937,299	6,319,307	11,290,782
<b>TOTAL EXPENDITURES</b>	<u>61,466</u>	<u>164,146</u>	<u>5,839,715</u>	<u>3,397,357</u>	<u>9,462,684</u>	<u>15,520,686</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,015</u>	<u>(106,273)</u>	<u>(5,338,406)</u>	<u>1,809,145</u>	<u>(3,631,519)</u>	<u>(9,797,729)</u>

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018  
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI	Totals	
					9/30/2019	9/30/2018
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from General Obligation Bonds or Debt Issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Transfers from Other Funds	-	-	5,308,000	-	5,308,000	6,632,390
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>5,308,000</b>	<b>-</b>	<b>5,308,000</b>	<b>16,632,390</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>						
	4,015	(106,273)	(30,406)	1,809,145	1,676,481	6,834,661
<b>FUND BALANCE</b>						
Beginning of Year	342,870	181,790	6,728,909	4,443,626	11,697,195	4,862,534
<b>FUND BALANCE</b>						
End of Year	\$ 346,885	\$ 75,517	\$ 6,698,503	\$ 6,252,771	\$ 13,373,676	\$ 11,697,195

**CITY OF TUPELO**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
September 30, 2019  
With Comparative Totals for September 30, 2018

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
						9/30/2019	9/30/2018
<b>ASSETS</b>							
Cash	\$ 2,032,937	\$ 70,155	\$ 684,732	\$ -	\$ -	\$ 2,787,824	\$ 2,182,640
Investments	-	-	-	-	1,348,288	1,348,288	-
Receivables:							
General Property Taxes	143,297	-	-	-	-	143,297	27,714
Other	-	-	-	220,025	-	220,025	220,025
<b>TOTAL ASSETS</b>	<b>\$ 2,176,234</b>	<b>\$ 70,155</b>	<b>\$ 684,732</b>	<b>\$ 220,025</b>	<b>\$ 1,348,288</b>	<b>\$ 4,499,434</b>	<b>\$ 2,430,379</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 3,750
Total Liabilities	1,500	-	-	-	-	1,500	3,750
Fund Balances:							
Restricted for Debt Service	2,174,734	70,155	684,732	220,025	1,348,288	4,497,934	2,426,629
Total Fund Balances	2,174,734	70,155	684,732	220,025	1,348,288	4,497,934	2,426,629
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,176,234</b>	<b>\$ 70,155</b>	<b>\$ 684,732</b>	<b>\$ 220,025</b>	<b>\$ 1,348,288</b>	<b>\$ 4,499,434</b>	<b>\$ 2,430,379</b>

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
						9/30/2019	9/30/2018
<b>REVENUES</b>							
Taxes:							
General Property Taxes	\$ 3,431,878	\$ 31,587	\$ 187,046	\$ -	\$ -	\$ 3,650,511	\$ 3,653,800
Intergovernmental Revenues:							
State Shared Revenues	126,589	-	-	-	-	126,589	119,936
Miscellaneous Revenues:							
Interest	15,792	1,209	8,648	-	3,141	28,790	18,723
Other	1,491,842	-	-	-	-	1,491,842	259,132
<b>TOTAL REVENUES</b>	<u>5,066,101</u>	<u>32,796</u>	<u>195,694</u>	<u>-</u>	<u>3,141</u>	<u>5,297,732</u>	<u>4,051,591</u>
<b>EXPENDITURES</b>							
Debt Service:							
General Obligations:							
Bonds Redeemed	4,306,613	-	45,000	-	-	4,351,613	4,053,065
Interest	1,554,328	-	14,175	-	-	1,568,503	1,186,184
Paying Agent Fees	18,276	-	850	-	-	19,126	24,587
Special Assessment General Obligations:							
Bonds Redeemed	-	35,000	-	-	-	35,000	30,000
Interest	-	3,745	-	-	-	3,745	5,320
Paying Agent Fees	-	750	-	-	-	750	750
<b>TOTAL EXPENDITURES</b>	<u>5,879,217</u>	<u>39,495</u>	<u>60,025</u>	<u>-</u>	<u>-</u>	<u>5,978,737</u>	<u>5,299,906</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>(813,116)</u>	\$ <u>(6,699)</u>	\$ <u>135,669</u>	\$ <u>-</u>	\$ <u>3,141</u>	\$ <u>(681,005)</u>	\$ <u>(1,248,315)</u>

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

Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

-Continued-

-93-

	City Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	<b>Totals</b>	
						9/30/2019	9/30/2018
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers from Other Funds	1,407,163	-	-	-	1,345,147	2,752,310	1,407,007
Transfers to Other Funds	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,407,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,345,147</u>	<u>2,752,310</u>	<u>1,407,007</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	594,047	(6,699)	135,669	-	1,348,288	2,071,305	158,692
<b>FUND BALANCES- Beginning of Year</b>	<u>1,580,687</u>	<u>76,854</u>	<u>549,063</u>	<u>220,025</u>	<u>-</u>	<u>2,426,629</u>	<u>2,267,937</u>
<b>FUND BALANCES- End of Year</b>	<u>\$ 2,174,734</u>	<u>\$ 70,155</u>	<u>\$ 684,732</u>	<u>\$ 220,025</u>	<u>\$ 1,348,288</u>	<u>\$ 4,497,934</u>	<u>\$ 2,426,629</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, 2019 and 2018

	<b>9/30/19</b>	<b>9/30/18</b>
<b>ASSETS</b>		
Cash	\$ 18,411,345	\$ 15,329,071
Receivables:		
General Property Taxes	303,401	51,661
Home Grant Receivable	-	465,000
Other	181,381	201,443
Due from Other Government Units	2,026,899	2,483,985
Due from Component Unit	42,757	42,782
Due from Other Funds	2,300,000	2,350,000
Prepaid Expenses	514,154	40,637
Inventories	<u>22,319</u>	<u>42,761</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>23,802,256</u></b>	<b>\$ <u>21,007,340</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	\$ 201,863	\$ 235,602
Unearned Revenues	177,283	271,524
Accrued Expenses	<u>676,947</u>	<u>680,964</u>
Total Liabilities	<u>1,056,093</u>	<u>1,188,090</u>
Fund Balance:		
Nonspendable		
Prepaid Expenses	515,154	40,637
Inventory	22,319	42,761
Long-Term Receivables	-	465,000
Restricted for		
Home Grant	572,991	-
Water Reserve	562,555	555,016
Unassigned	<u>21,073,144</u>	<u>18,715,836</u>
Total Fund Balance	<u>22,746,163</u>	<u>19,819,250</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>23,802,256</u></b>	<b>\$ <u>21,007,340</u></b>

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

For the Years Ended September 30, 2019 and 2018

	F.Y.E. 9/30/19	F.Y.E. 9/30/18
<b>REVENUES</b>		
Taxes:		
General Property Taxes	\$ 6,389,713	\$ 6,253,421
Payments in Lieu of Taxes	1,181,324	1,180,839
Penalties and Interest on Delinquent Taxes	74,091	75,300
Total Taxes	<u>7,645,128</u>	<u>7,509,560</u>
Licenses and Permits:		
Privilege License	328,251	301,306
Building Permits	278,913	278,513
Other Permits	15,822	12,220
Franchise Fees	404,294	406,574
Total Licenses and Permits	<u>1,027,280</u>	<u>998,613</u>
Intergovernmental Revenues:		
Federal Grants	620,358	318,853
State Grants	17,227	17,227
Other Grants	74,301	62,236
State Shared Revenues	22,198,239	21,825,272
Municipality Shared Revenues	3,200,000	3,200,000
County Shared Revenues	1,218,843	1,195,690
Total Intergovernmental Revenues	<u>27,328,968</u>	<u>26,619,278</u>
Charges for Services:		
Public Safety	172,284	260,756
Highways and Streets	10,800	24,050
Crime Lab Fees	62,265	58,442
Culture and Recreation Fees	448,823	442,234
Total Charges for Services	<u>694,172</u>	<u>785,482</u>
Fines and Forfeitures:		
Police Fines and Fees	658,650	673,878
Parking Fines and Fees	7,605	7,861
Total Fines and Forfeitures	<u>666,255</u>	<u>681,739</u>

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

For the Years Ended September 30, 2019 and 2018

-Continued-

	F.Y.E. 9/30/19	F.Y.E. 9/30/18
<b>REVENUES-Continued</b>		
Miscellaneous Revenues:		
Interest	\$ 368,709	\$ 194,011
Donations	2,750	30,126
Rents	76,175	74,297
Billings to Other Departments	240,224	246,408
Other	880,948	142,705
	<u>1,568,806</u>	<u>687,547</u>
Total Miscellaneous Revenues	<u>1,568,806</u>	<u>687,547</u>
<b>TOTAL REVENUES</b>	<u>38,930,609</u>	<u>37,282,219</u>
<b>EXPENDITURES</b>		
General Government:		
Legislative Department:		
Personnel Services	258,390	261,557
Supplies	2,584	3,567
Other Services and Charges	183,132	181,121
	<u>444,106</u>	<u>446,245</u>
Total Legislative Department	<u>444,106</u>	<u>446,245</u>
Executive Department:		
Personnel Services	682,452	696,972
Supplies	14,522	14,086
Other Services and Charges	270,890	289,472
	<u>967,864</u>	<u>1,000,530</u>
Total Executive Department	<u>967,864</u>	<u>1,000,530</u>
City Court:		
Personnel Services	754,810	690,407
Supplies	18,632	16,945
Other Services and Charges	112,474	108,694
	<u>885,916</u>	<u>816,046</u>
Total City Court	<u>885,916</u>	<u>816,046</u>

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

For the Years Ended September 30, 2019 and 2018

-Continued-

	F.Y.E. 9/30/19	F.Y.E. 9/30/18
<b>EXPENDITURES-Continued</b>		
Budget and Accounting Department:		
Personnel Services	\$ 806,395	\$ 815,795
Supplies	29,604	21,348
Other Services and Charges	360,173	350,906
Capital Outlay	65,782	78,761
Total Budget and Accounting Department	<u>1,261,954</u>	<u>1,266,810</u>
Personnel Department:		
Personnel Services	229,292	254,413
Supplies	3,572	2,042
Other Services and Charges	24,030	32,535
Total Personnel Department	<u>256,894</u>	<u>288,990</u>
Planning Department:		
Personnel Services	1,243,397	1,252,991
Supplies	33,170	47,189
Other Services and Charges	70,275	72,440
Total Community Development Department	<u>1,346,842</u>	<u>1,372,620</u>
Total General Government	<u>5,163,576</u>	<u>5,191,241</u>
Public Safety:		
Police Department:		
Personnel Services	7,929,874	8,788,930
Supplies	560,083	569,734
Other Services and Charges	1,379,098	1,486,140
Capital Outlay	301,281	265,016
Total Police Department	<u>10,170,336</u>	<u>11,109,820</u>
Fire Department:		
Personnel Services	5,481,156	5,426,423
Supplies	295,947	278,572
Other Services and Charges	310,542	286,633
Capital Outlay	19,301	2,438
Total Fire Department	<u>6,106,946</u>	<u>5,994,066</u>
Total Public Safety	<u>16,277,282</u>	<u>17,103,886</u>

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

For the Years Ended September 30, 2019 and 2018

-Continued-

	F.Y.E. 9/30/19	F.Y.E. 9/30/18
<b>EXPENDITURES-Continued</b>		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,700,686	\$ 2,716,377
Supplies	353,489	337,821
Other Services and Charges	2,018,623	2,038,133
Capital Outlay	11,634	19,270
Total Public Works Department	<u>5,084,432</u>	<u>5,111,601</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,795,652	1,770,418
Supplies	373,501	358,062
Other Services and Charges	914,484	902,928
Capital Outlay	4,589	37,438
Total Park and Recreation Department	<u>3,088,226</u>	<u>3,068,846</u>
Aquatic Center:		
Personnel Services	393,055	398,371
Supplies	114,109	112,941
Other Services and Charges	361,706	347,163
Capital Outlay	14,655	4,376
Total Aquatic Center	<u>883,525</u>	<u>862,851</u>
Museum Department:		
Personnel Services	91,239	92,916
Supplies	8,726	3,981
Other Services and Charges	29,063	34,292
Total Museum Department	<u>129,028</u>	<u>131,189</u>
Total Culture and Recreation	<u>4,100,779</u>	<u>4,062,886</u>
Other Functions:		
Community Services:		
Other Services and Charges	1,034,895	1,133,491
Total Community Services	<u>1,034,895</u>	<u>1,133,491</u>

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

For the Years Ended September 30, 2019 and 2018

-Continued-

	F.Y.E. 9/30/19	F.Y.E. 9/30/18
<b>EXPENDITURES-Continued</b>		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	\$ 401,468	\$ 614,986
Interest	<u>164,520</u>	<u>178,406</u>
Total General Obligations	<u>565,988</u>	<u>793,392</u>
Total Debt Service	<u>565,988</u>	<u>793,392</u>
<b>TOTAL EXPENDITURES</b>	<u>32,226,952</u>	<u>33,396,497</u>
<b>EXCESS OF REVENUES</b>		
<b>OVER EXPENDITURES</b>	<u>6,703,657</u>	<u>3,885,722</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers Out	(4,420,579)	(7,457,510)
Transfers In	<u>643,835</u>	<u>545,353</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,776,744)</u>	<u>(6,912,157)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER</b>		
<b>SOURCES OVER (UNDER) EXPENDITURES</b>		
<b>AND OTHER (USES)</b>	<u>2,926,913</u>	<u>(3,026,435)</u>
<b>FUND BALANCE - Beginning of year</b>	<u>19,819,250</u>	<u>22,845,685</u>
<b>FUND BALANCE - End of year</b>	\$ <u>22,746,163</u>	\$ <u>19,819,250</u>

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

**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.

**CITY OF TUPELO**  
**LIBRARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2019  
With Comparative Totals for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 464,570	\$ 462,853	\$ (1,717)	\$ 484,308
Intergovernmental:				
State Shared Revenues	14,638	17,668	3,030	16,739
Miscellaneous Revenues:				
Interest	-	156	156	68
<b>TOTAL REVENUES</b>	<b>479,208</b>	<b>480,677</b>	<b>1,469</b>	<b>501,115</b>
<b>EXPENDITURES</b>				
Community Services:				
Other Services and Charges	494,454	494,454	-	484,454
Total Community Services	494,454	494,454	-	484,454
<b>TOTAL EXPENDITURES</b>	<b>494,454</b>	<b>494,454</b>	<b>-</b>	<b>484,454</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,246)</b>	<b>(13,777)</b>	<b>1,469</b>	<b>16,661</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	74,986	74,986	-	73,784
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ 59,740	61,209	\$ 1,469	90,445
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		16,131		(15,459)
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ 77,340		\$ 74,986



**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, 2019  
With Comparative Totals for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental:				
State Shared Revenues	\$ 4,383,063	\$ 5,047,206	\$ 664,143	\$ 4,459,184
Miscellaneous Revenues:				
Interest	15,000	52,514	37,514	32,088
Donations	1,000	1,000	-	-
Other	-	7,721	7,721	2,122
<b>TOTAL REVENUES</b>	<u>4,399,063</u>	<u>5,108,441</u>	<u>709,378</u>	<u>4,493,394</u>
<b>EXPENDITURES</b>				
Other Functions:				
Community Services:				
Personnel Services	817,202	704,138	113,064	706,219
Supplies	21,500	15,531	5,969	20,321
Other Services and Charges	2,213,348	1,681,228	532,120	1,483,780
Capital Expenditures	40,000	33,911	6,089	1,460,441
Total Community Services	<u>3,092,050</u>	<u>2,434,808</u>	<u>657,242</u>	<u>3,670,761</u>
Total Other Functions	<u>3,092,050</u>	<u>2,434,808</u>	<u>657,242</u>	<u>3,670,761</u>
<b>TOTAL EXPENDITURES</b>	<u>3,092,050</u>	<u>2,434,808</u>	<u>657,242</u>	<u>3,670,761</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,307,013</u>	<u>2,673,633</u>	<u>1,366,620</u>	<u>822,633</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, 2019

With Comparative Totals for Year Ended September 30, 2018

-Continued-

	F.Y.E. 9/30/2019		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2018 Actual
	Budget	Actual		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	\$ (3,707,013)	\$ (3,497,013)	\$ 210,000	\$ (1,410,807)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,707,013)</u>	<u>(3,497,013)</u>	<u>210,000</u>	<u>(1,410,807)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	(2,400,000)	(823,380)	1,576,620	(588,174)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>3,890,154</u>	<u>3,890,154</u>	<u>-</u>	<u>4,536,177</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>1,490,154</u>	3,066,774	\$ <u>1,576,620</u>	3,948,003
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>109,901</u>		<u>(57,849)</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u>3,176,675</u>		\$ <u>3,890,154</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, 2019  
With Comparative Totals for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 771,091	\$ 768,239	\$ (2,852)	\$ 803,726
Intergovernmental Revenues:				
State Shared Revenues	24,296	29,325	5,029	27,784
Miscellaneous Revenues:				
Interest Income	-	365	365	148
<b>TOTAL REVENUES</b>	<u>795,387</u>	<u>797,929</u>	<u>2,542</u>	<u>831,658</u>
<b>EXPENDITURES</b>				
Public Safety:				
Police Department:				
Personnel Services	<u>612,500</u>	<u>573,296</u>	<u>39,204</u>	<u>577,500</u>
Total Police Department	<u>612,500</u>	<u>573,296</u>	<u>39,204</u>	<u>577,500</u>
Fire Department:				
Personnel Services	<u>262,500</u>	<u>245,698</u>	<u>16,802</u>	<u>247,500</u>
Total Fire Department	<u>262,500</u>	<u>245,698</u>	<u>16,802</u>	<u>247,500</u>
Total Public Safety	<u>875,000</u>	<u>818,994</u>	<u>56,006</u>	<u>825,000</u>
<b>TOTAL EXPENDITURES</b>	<u>875,000</u>	<u>818,994</u>	<u>56,006</u>	<u>825,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(79,613)	(21,065)	58,548	6,658
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>39,658</u>	<u>39,658</u>	<u>-</u>	<u>58,659</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>(39,955)</u>	18,593	\$ <u>58,548</u>	65,317
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>26,775</u>		<u>(25,659)</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u>45,368</u>		\$ <u>39,658</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, 2019  
With Comparative Totals for Year Ended September 30, 2018

	F.Y.E. 9/30/2019			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2018 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ 2,500	\$ 9,961	\$ 7,461	\$ 9,518
TOTAL REVENUES	2,500	9,961	7,461	9,518
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	-	-	-	-
Total Tupelo Coliseum	-	-	-	-
Total Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,500	9,961	7,461	9,518

**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, 2019

With Comparative Totals for Year Ended September 30, 2018

-Continued-

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Actual</b>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfers In	\$ 1,915,120	\$ 1,915,120	\$ -	\$ 1,915,120
Transfers Out	<u>(2,117,620)</u>	<u>(1,969,972)</u>	<u>147,648</u>	<u>(2,057,446)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(202,500)</u>	<u>(54,852)</u>	<u>147,648</u>	<u>(142,326)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	(200,000)	(44,891)	155,109	(132,808)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>231,423</u>	<u>231,423</u>	<u>-</u>	<u>364,231</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>31,423</u>	186,532	\$ <u>155,109</u>	231,423
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u>186,532</u>		\$ <u>231,423</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, 2019  
With Comparative Totals for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2018 Actual</b>	
<b>REVENUES</b>					
Miscellaneous:					
Interest	\$ -	\$ 14	\$ 14	\$ 38	
<b>TOTAL REVENUES</b>	<u>-</u>	<u>14</u>	<u>14</u>	<u>38</u>	
<b>EXPENDITURES</b>					
Other Services and Charges	<u>23,491</u>	<u>10,956</u>	<u>12,535</u>	<u>14,152</u>	
<b>TOTAL EXPENDITURES</b>	<u>23,491</u>	<u>10,956</u>	<u>12,535</u>	<u>14,152</u>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(23,491)</u>	<u>(10,942)</u>	<u>12,549</u>	<u>(14,114)</u>	
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(23,491)</u>	<u>(10,942)</u>	<u>12,549</u>	<u>(14,114)</u>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>					
Beginning of Year	<u>93,422</u>	<u>93,422</u>	<u>-</u>	<u>107,536</u>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>					
End of Year	\$ <u>69,931</u>	82,480	\$ <u>12,549</u>	93,422	
Adjustments to Generally Accepted Accounting Principles:					
Revenue Accruals		<u>-</u>		<u>-</u>	
<b>FUND BALANCE (GAAP BASIS)</b>					
End of Year		\$ <u>82,480</u>		\$ <u>93,422</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, 2019  
With Comparative Totals for Year Ended September 30, 2018

		<b>F.Y.E. 9/30/2019</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2018 Actual</b>
<b>REVENUES</b>				
Charges for Sales & Services:				
Commissions	\$ 90,000	\$ 51,843	\$ (38,157)	\$ 17,410
Concessions & Other Sales	700,000	611,242	(88,758)	637,876
Direct Show Revenue	110,000	57,255	(52,745)	49,872
Parking	10,000	2,331	(7,669)	7,998
Service Charge	475,000	414,087	(60,913)	394,990
Rental Revenue	2,162,500	1,733,991	(428,509)	1,870,151
Personnel Service Fees	425,000	333,253	(91,747)	289,659
Miscellaneous Revenues:				
Advertising Agency Fee	600,000	480,838	(119,162)	448,387
Other	312,500	276,255	(36,245)	357,367
Interest	7,500	18,874	11,374	13,890
<b>TOTAL REVENUES</b>	<b>4,892,500</b>	<b>3,979,969</b>	<b>(912,531)</b>	<b>4,087,600</b>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	2,030,830	1,627,207	403,623	1,554,285
Supplies	600,500	392,286	208,214	477,397
Other Services and Charges	2,687,000	2,554,966	132,034	2,391,437
Capital Outlay	500,000	389,368	110,632	411,986
Total Coliseum Operations	5,818,330	4,963,827	854,503	4,835,105
<b>TOTAL EXPENDITURES</b>	<b>5,818,330</b>	<b>4,963,827</b>	<b>854,503</b>	<b>4,835,105</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(925,830)</b>	<b>(983,858)</b>	<b>(58,028)</b>	<b>(747,505)</b>

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, 2019  
With Comparative Totals for Year Ended September 30, 2018  
-Continued-

		F.Y.E. 9/30/2019			F.Y.E. 9/30/2018
		Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer from Coliseum Project	\$	<u>925,830</u>	\$ <u>659,822</u>	\$ <u>(266,008)</u>	\$ <u>746,246</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>925,830</u>	<u>659,822</u>	<u>(266,008)</u>	<u>746,246</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>		-	(324,036)	(324,036)	(1,259)
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>					
Beginning of Year		<u>794,716</u>	<u>794,716</u>	-	<u>757,023</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>					
End of Year	\$	<u><u>794,716</u></u>	470,680	\$ <u><u>(324,036)</u></u>	755,764
Adjustments to Generally Accepted Accounting Principles:					
Revenue Accruals			<u>66,986</u>		<u>38,952</u>
<b>FUND BALANCE (DEFICIT) (GAAP BASIS)</b>					
End of Year	\$		<u><u>537,666</u></u>		\$ <u><u>794,716</u></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, 2019  
With Comparative Totals for Year Ended September 30, 2018

F.Y.E. 9/30/2019				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2018 Actual
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ -	\$ (10,000)	\$ 6,900
Fines and Forfeitures	100,000	60,432	(39,568)	117,330
Miscellaneous Revenues:				
Interest	20,000	23,299	3,299	18,789
Other	113,047	80,922	(32,125)	98,942
<b>TOTAL REVENUES</b>	243,047	164,653	(78,394)	241,961
<b>EXPENDITURES</b>				
Public Safety:				
Police Department:				
Supplies	47,500	29,597	17,903	12,804
Other Services and Charges	310,150	163,244	146,906	170,937
Capital Outlay	363,911	273,571	90,340	89,985
Total Police Department	721,561	466,412	255,149	273,726
<b>TOTAL EXPENDITURES</b>	721,561	466,412	255,149	273,726
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(478,514)	(301,759)	176,755	(31,765)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to General Fund	(46,376)	(46,376)	-	(45,353)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	(46,376)	(46,376)	-	(45,353)

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

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

-Continued-

F.Y.E. 9/30/2019				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2018 Actual
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (524,890)	\$ (348,135)	\$ 176,755	\$ (77,118)
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>1,738,671</u>	<u>1,738,671</u>	<u>-</u>	<u>1,817,209</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u><u>1,213,781</u></u>	1,390,536	\$ <u><u>176,755</u></u>	1,740,091
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>(1,420)</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u><u>1,390,536</u></u>		\$ <u><u>1,738,671</u></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, 2019  
With Comparative Totals for Year Ended September 30, 2018

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>EXPENDITURES</b>				
Other Functions:				
Community Services:				
Other Services and Charges	\$ 225,000	\$ 217,489	\$ 7,511	\$ -
<b>TOTAL EXPENDITURES</b>	<u>225,000</u>	<u>217,489</u>	<u>7,511</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(225,000)</u>	<u>(217,489)</u>	<u>(7,511)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(225,000)</u>	<u>(217,489)</u>	<u>(7,511)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>-</u>	7,511	\$ <u>(7,511)</u>	225,000
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u>7,511</u>		\$ <u>225,000</u>

## **CAPITAL PROJECTS FUND**

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

**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.

**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.

**Special Obligation Capital Fund** – This fund is used to account for the projects approved by Council and funded with Special Obligation Bond proceeds. This is a major fund.

**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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Intergovernmental Revenues:				
State Shared Revenues	\$ 108,990	\$ 60,824	\$ (48,166)	\$ -
Miscellaneous Revenues:				
Interest	-	4,657	4,657	3,257
Donations	-	-	-	-
<b>TOTAL REVENUES</b>	<u>108,990</u>	<u>65,481</u>	<u>(43,509)</u>	<u>3,257</u>
<b>EXPENDITURES</b>				
Supplies	-	-	-	-
Capital Outlay:				
Capital Outlay	<u>250,170</u>	<u>61,466</u>	<u>188,704</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>250,170</u>	<u>61,466</u>	<u>188,704</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(141,180)	4,015	145,195	3,257
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
Beginning of Year	<u>342,870</u>	<u>342,870</u>	<u>-</u>	<u>339,613</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
End of Year	<u>\$ 201,690</u>	<u>346,885</u>	<u>\$ 145,195</u>	<u>342,870</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		<u>\$ 346,885</u>		<u>\$ 342,870</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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Grants	\$ 52,200	\$ 51,278	\$ (922)	\$ -
Miscellaneous Revenues:				
Interest	-	1,595	1,595	2,153
Other	-	5,000	5,000	3,195
<b>TOTAL REVENUES</b>	<u>52,200</u>	<u>57,873</u>	<u>5,673</u>	<u>5,348</u>
<b>EXPENDITURES</b>				
Other Services and Charges	-	-	-	81,043
Capital Outlay:				
Capital Outlay	<u>230,979</u>	<u>164,146</u>	<u>66,833</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>230,979</u>	<u>164,146</u>	<u>66,833</u>	<u>81,043</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(178,779)	(106,273)	72,506	(75,695)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>181,790</u>	<u>181,790</u>	<u>-</u>	<u>257,485</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u><u>3,011</u></u>	75,517	\$ <u><u>72,506</u></u>	181,790
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u><u>75,517</u></u>		\$ <u><u>181,790</u></u>

**CITY OF TUPELO**  
**CITY INFRASTRUCTURE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>		<b>Variance</b>	<b>F.Y.E.</b>
	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>	<b>9/30/2018 Actual</b>
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Grants	\$ 965,073	\$ 165,073	\$ (800,000)	\$ 267,550
Other Grants	2,600	33,960	31,360	2,600
Miscellaneous Revenues:				
Interest	-	67,485	67,485	87,175
Donations	15,535	15,535	-	-
Other	128,500	219,256	90,756	355,975
<b>TOTAL REVENUES</b>	<b>1,111,708</b>	<b>501,309</b>	<b>(610,399)</b>	<b>713,300</b>
<b>EXPENDITURES</b>				
Bond Issue Costs	-	-	-	200,000
Other Services and Charges	3,509,334	1,683,319	1,826,015	2,800,056
Capital Outlay:				
Capital Outlay	9,160,016	4,156,396	5,003,620	8,295,050
Total Capital Outlay	12,669,350	5,839,715	6,829,635	11,295,106
<b>TOTAL EXPENDITURES</b>	<b>12,669,350</b>	<b>5,839,715</b>	<b>6,829,635</b>	<b>11,295,106</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,557,642)</b>	<b>(5,338,406)</b>	<b>6,219,236</b>	<b>(10,581,806)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond and Debt Proceeds	-	-	-	10,000,000
Transfer from Other Funds	5,308,000	5,308,000	-	6,632,390
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,308,000</b>	<b>5,308,000</b>	<b>-</b>	<b>16,632,390</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>(6,249,642)</b>	<b>(30,406)</b>	<b>6,219,236</b>	<b>6,050,584</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	6,728,909	6,728,909	-	727,656
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ 479,267	6,698,503	\$ 6,219,236	6,778,240
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		(49,331)
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ 6,698,503		\$ 6,728,909

**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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 4,789,383	\$ 4,771,656	\$ (17,727)	\$ 4,992,045
Intergovernmental Revenues:				
State Shared Revenues	150,909	182,143	31,234	172,569
Miscellaneous Revenues:				
Interest	25,000	86,397	61,397	44,497
<b>TOTAL REVENUES</b>	<u>4,965,292</u>	<u>5,040,196</u>	<u>74,904</u>	<u>5,209,757</u>
<b>EXPENDITURES</b>				
Personnel Services	99,427	64,337	35,090	93,979
Other Services and Charges	1,835,072	1,395,721	439,351	1,054,826
Capital Outlay:				
Capital Outlay	7,430,793	1,937,299	5,493,494	2,995,732
<b>TOTAL EXPENDITURES</b>	<u>9,365,292</u>	<u>3,397,357</u>	<u>5,967,935</u>	<u>4,144,537</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,400,000)</u>	<u>1,642,839</u>	<u>6,042,839</u>	<u>1,065,220</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
Beginning of Year	<u>4,443,626</u>	<u>4,443,626</u>	<u>-</u>	<u>3,537,780</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
End of Year	<u>\$ 43,626</u>	6,086,465	<u>\$ 6,042,839</u>	4,603,000
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		166,306		(159,374)
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		<u>\$ 6,252,771</u>		<u>\$ 4,443,626</u>



## DEBT SERVICE FUNDS

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

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

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

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

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

**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.

**Special Obligation Debt Service Fund** – This fund is used to account for the accumulation of resources for, and payment of principal, interest and related costs of 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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E.</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>9/30/2018 Actual</b>
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 3,328,621	\$ 3,316,295	\$ (12,326)	\$ 3,469,436
Intergovernmental Revenues:				
State Shared Revenues	126,589	126,589	-	119,936
Miscellaneous Revenues:				
Interest	15,000	15,792	792	13,943
Other	251,518	1,491,842	1,240,324	259,132
<b>TOTAL REVENUES</b>	<b>3,721,728</b>	<b>4,950,518</b>	<b>1,228,790</b>	<b>3,862,447</b>
<b>EXPENDITURES</b>				
Debt Service:				
General Obligations:				
Bonds Redeemed	4,455,000	4,306,613	148,387	3,953,065
Interest	1,587,321	1,554,328	32,993	1,168,416
Paying Agent Fees	25,000	18,276	6,724	22,737
<b>TOTAL EXPENDITURES</b>	<b>6,067,321</b>	<b>5,879,217</b>	<b>188,104</b>	<b>5,144,218</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,345,593)</b>	<b>(928,699)</b>	<b>1,416,894</b>	<b>(1,281,771)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,407,252	1,407,163	(89)	1,407,007
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,407,252</b>	<b>1,407,163</b>	<b>(89)</b>	<b>1,407,007</b>

**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, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

-Continued-

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (938,341)	\$ 478,464	\$ 1,416,805	\$ 125,236
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>1,580,687</u>	<u>1,580,687</u>	<u>-</u>	<u>1,566,214</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>642,346</u>	2,059,151	\$ <u>1,416,805</u>	1,691,450
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>115,583</u>		<u>(110,763)</u>
<b>FUND BALANCE (GAAP-BASIS) -</b>				
End of Year		\$ <u>2,174,734</u>		\$ <u>1,580,687</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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 43,745	\$ 31,587	\$ (12,158)	\$ 37,993
Miscellaneous Revenues:				
Interest	-	1,209	1,209	739
<b>TOTAL REVENUES</b>	<b>43,745</b>	<b>32,796</b>	<b>(10,949)</b>	<b>38,732</b>
<b>EXPENDITURES</b>				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	35,000	35,000	-	30,000
Interest	3,745	3,745	-	5,320
Paying Agent Fees	5,000	750	4,250	750
Total Debt Service	43,745	39,495	4,250	36,070
<b>TOTAL EXPENDITURES</b>	<b>43,745</b>	<b>39,495</b>	<b>4,250</b>	<b>36,070</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(6,699)</b>	<b>(6,699)</b>	<b>2,662</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from General Fund	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

-Continued-

					<b>F.Y.E. 9/30/2019</b>		<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2018 Actual</b>
					<b>Budget</b>	<b>Actual</b>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>					\$ -	\$ (6,699)	\$ (6,699)	\$ 2,662
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year</b>					<u>76,854</u>	<u>76,854</u>	<u>-</u>	<u>74,192</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year</b>					\$ <u><u>76,854</u></u>	70,155	\$ <u><u>(6,699)</u></u>	76,854
Adjustments to Generally Accepted Accounting Principles:								
Revenue Accruals						<u>0</u>		<u>-</u>
<b>FUND BALANCE (GAAP-BASIS) - End of Year</b>						\$ <u><u>70,155</u></u>		\$ <u><u>76,854</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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 61,175	\$ 187,046	\$ 125,871	\$ 257,134
Miscellaneous Revenues:				
Interest	-	8,648	8,648	4,041
<b>TOTAL REVENUES</b>	<b>61,175</b>	<b>195,694</b>	<b>134,519</b>	<b>261,175</b>
<b>EXPENDITURES</b>				
Debt Service:				
General Obligations:				
Bonds Redeemed	45,000	45,000	-	100,000
Interest	14,175	14,175	-	17,768
Paying Agent Fees	2,000	850	1,150	1,850
Total Debt Service	61,175	60,025	1,150	119,618
<b>TOTAL EXPENDITURES</b>	<b>61,175</b>	<b>60,025</b>	<b>1,150</b>	<b>119,618</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>135,669</b>	<b>135,669</b>	<b>141,557</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from TIF/SP Assessment Fund	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

-Continued-

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES AND</b>				
<b>OTHER SOURCES (USES)</b>	\$ -	\$ 135,669	\$ 135,669	\$ 141,557
<b>FUND BALANCE (NON-GAAP</b>				
<b>BUDGETARY BASIS) -</b>				
Beginning of Year	549,063	549,063	-	407,506
<b>FUND BALANCE (NON-GAAP</b>				
<b>BUDGETARY BASIS) -</b>				
End of Year	\$ 549,063	684,732	\$ 135,669	549,063
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
<b>FUND BALANCE (GAAP-BASIS) -</b>				
End of Year		\$ 684,732		\$ 549,063

**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, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E.</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>9/30/2018 Actual</b>
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	-
Total Debt Service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**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, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

-Continued-

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ -	\$ -	\$ -	-
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>220,025</u>	<u>220,025</u>	<u>-</u>	<u>220,025</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
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>
<b>FUND BALANCE (GAAP-BASIS) -</b>				
End of Year		\$ <u><u>220,025</u></u>		\$ <u><u>220,025</u></u>

**CITY OF TUPELO**  
**SPECIAL OBLIGATION DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2019  
With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>F.Y.E. 9/30/2019</b>			<b>F.Y.E. 9/30/2018 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ 3,141	\$ 3,141	\$ -
<b>TOTAL REVENUES</b>	<b>-</b>	<b>3,141</b>	<b>3,141</b>	<b>-</b>
<b>EXPENDITURES</b>				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	-
Total Debt Service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>3,141</b>	<b>3,141</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	1,345,147	1,345,147	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>1,345,147</b>	<b>1,345,147</b>	<b>-</b>

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

Year Ended September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

-Continued-

	F.Y.E. 9/30/2019			F.Y.E. 9/30/2018 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ -	\$ 1,348,288	\$ 1,348,288	\$ -
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	-	-	-	-
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ -	1,348,288	\$ 1,348,288	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
<b>FUND BALANCE (GAAP-BASIS) -</b>				
End of Year		\$ 1,348,288		\$ -

## **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, 2019  
With Comparative Totals for September 30, 2018

					<b>Totals</b>	
	<b>Metro Vice Seized Fund</b>	<b>City Court Restitution Fund</b>	<b>Self Insurance Fund</b>	<b>Arts Committee Fund</b>	<b>9/30/19</b>	<b>9/30/18</b>
<b>ASSETS</b>						
Cash	\$ 215,403	\$ 6,964	\$ 458,982	754	\$ 682,103	711,869
Investments	-	-	500	-	500	500
<b>TOTAL ASSETS</b>	<b>\$ 215,403</b>	<b>\$ 6,964</b>	<b>459,482</b>	<b>\$ 754</b>	<b>\$ 682,603</b>	<b>\$ 712,369</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 50,709	\$ -	\$ 50,709	\$ 51,520
Due to Complainants	-	6,964	-	-	6,964	6,964
Due to Arts Committee	-	-	-	754	754	744
Due to Insured Employees	-	-	408,773	-	408,773	481,763
Seized Money Held	215,403	-	-	-	215,403	171,378
<b>TOTAL LIABILITIES</b>	<b>\$ 215,403</b>	<b>\$ 6,964</b>	<b>\$ 459,482</b>	<b>\$ 754</b>	<b>\$ 682,603</b>	<b>\$ 712,369</b>

**CITY OF TUPELO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
Year Ended September 30, 2019

	Balance September 30, 2018	Debits	Credits	Balance September 30, 2019
<b>METRO VICE SEIZED FUND</b>				
<u>ASSETS</u>				
Cash	\$ 171,378	\$ 293,857	\$ 249,832	\$ 215,403
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 86,146	\$ 86,146	\$ -
Seized Money Held	171,378	142,374	186,399	215,403
Total Liabilities	\$ 171,378	\$ 228,520	\$ 272,545	\$ 215,403
<b>CITY COURT RESTITUTION FUND</b>				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 248	\$ 248	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
<b>TUPELO ARTS COMMITTEE</b>				
<u>ASSETS</u>				
Cash	\$ 744	\$ 10	\$ -	\$ 754
<u>LIABILITIES</u>				
Deposits - Arts Committee	\$ 744	\$ -	\$ 10	\$ 754
Total Liabilities	\$ 744	\$ -	\$ 10	\$ 754

**CITY OF TUPELO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
Year Ended September 30, 2019  
-Continued-

	Balance September 30, 2018	Debits	Credits	Balance September 30, 2019
<b>SELF INSURANCE FUND</b>				
<u>ASSETS</u>				
Cash	\$ 532,783	\$ 224,404	\$ 298,205	\$ 458,982
Investments	500	-	-	500
Total Assets	\$ <u>533,283</u>	\$ <u>224,404</u>	\$ <u>298,205</u>	\$ <u>459,482</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 51,520	\$ 51,622	\$ 50,811	\$ 50,709
Due to Insured Employees	481,763	301,033	228,043	408,773
Total Liabilities	\$ <u>533,283</u>	\$ <u>352,655</u>	\$ <u>278,854</u>	\$ <u>459,482</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<u>ASSETS</u>				
Cash	\$ 711,869	\$ 518,519	\$ 548,285	\$ 682,103
Investments	500	-	-	500
Total Assets	\$ <u>712,369</u>	\$ <u>518,519</u>	\$ <u>548,285</u>	\$ <u>682,603</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 51,520	\$ 137,768	\$ 136,957	\$ 50,709
Seized Money Held	171,378	142,374	186,399	215,403
Deposits - Arts Committee	744	-	10	754
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	481,763	301,033	228,043	408,773
Total Liabilities	\$ <u>712,369</u>	\$ <u>581,175</u>	\$ <u>551,409</u>	\$ <u>682,603</u>

## SUPPLEMENTARY INFORMATION



**CITY OF TUPELO**  
**SCHEDULE OF INVESTMENTS**  
Year Ended September 30, 2019

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
<b>GOVERNMENTAL FUNDS:</b>					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	N/A	Var	\$ 5,077,544
Special Obligation Debt Service Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>1,348,288</u>
	Total Investments - Debt Service Funds				<u>6,425,832</u>
Capital Projects Funds:					
Special Obligation Capital Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>379,000</u>
	Total Investments - Capital Projects Funds				<u>379,000</u>
	Total Investments - Governmental Funds				<u>6,804,832</u>
<b>FIDUCIARY FUNDS:</b>					
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>\$ 6,805,332</u>

**CITY OF TUPELO**  
**SCHEDULE OF LONG-TERM DEBT**  
Year Ended September 30, 2019

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2018	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2019	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
<b>GENERAL OBLIGATION BONDS:</b>									
<b>General City Bonds</b>									
G.O. - Series 2012	2.000 - 2.375%	5/1/12	11/1/32	\$ 5,400,000	\$ -	\$ (240,000)	\$ 5,160,000	\$ 240,000	\$ 106,763
G.O. - Series 2013	2.100 - 3.000%	4/10/13	9/30/33	5,400,000	-	(240,000)	5,160,000	240,000	119,526
G.O. - Series 2013	2.500 - 3.250%	9/1/13	9/30/28	2,150,000	-	(185,000)	1,965,000	190,000	55,550
G.O. - Series 2011	2.100 - 2.875%	12/1/11	12/1/30	3,335,000	-	(160,000)	3,175,000	160,000	74,889
G.O. Refunding - Series A	2.000 - 3.000%	6/21/11	7/1/19	820,000	-	(820,000)	-	-	-
G.O. Refunding - Series B	2.000 - 4.375%	6/21/11	7/1/23	2,725,000	-	(500,000)	2,225,000	520,000	92,644
G.O. - Series 2015	1.310 - 3.280%	7/28/15	7/1/29	3,700,000	-	(200,000)	3,500,000	400,000	97,850
G.O. Refunding - Series 2016	1.100 - 1.970%	1/28/16	2/1/22	3,030,000	-	(715,000)	2,315,000	790,000	35,181
G.O. - Series 2016	2.313 - 2.685%	5/12/16	4/1/36	5,800,000	-	(100,000)	5,700,000	100,000	147,043
G.O. Combined Refunding-Series 2016	3.000 - 5.000%	8/4/16	7/1/26	6,725,000	-	(1,295,000)	5,430,000	1,345,000	236,750
G.O. - Series 2017	2.000 - 5.000%	11/14/17	11/1/37	10,000,000	-	-	10,000,000	-	331,700
G.O. Refunding - Series 2019	4.00%	5/31/19	12/1/32	-	6,385,000	-	6,385,000	340,000	589,309
Total General City Bonds				49,085,000	6,385,000	(4,455,000)	51,015,000	4,325,000	1,887,205
<b>Water Bonds</b>									
Series 2008- Refunding Bonds	3.91-5.51%	12/17/08	12/1/33	7,690,000		(7,015,000)	675,000	-	-
Total Water Bonds				7,690,000	-	(7,015,000)	675,000	-	-
<b>Special Assessments General Obligation Bonds</b>									
Series 2000	variable	8/1/00	8/1/20	70,000	-	(35,000)	35,000		
Total Special Assessments General Obligations Bonds				70,000	-	(35,000)	35,000	-	-
<b>TOTAL GENERAL OBLIGATION BONDS</b>				56,845,000	6,385,000	(11,505,000)	51,725,000	4,325,000	1,887,205
<b>OTHER LONG-TERM DEBT:</b>									
<b>General City Notes Payable</b>									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	1,156,759	-	(65,169)	1,091,590	67,572	31,805
Tupelo Airport Authority Capital Acquisitor	3.00%	6/22/11	7/1/25	882,024	-	(99,190)	782,834	102,165	23,485
Bank of America ESCO	2.62%	10/9/15	4/9/32	3,953,186	-	(237,110)	3,716,076	243,364	95,778
Total General City Notes Payable				5,991,969	-	(401,469)	5,590,500	413,101	151,068

**CITY OF TUPELO**  
**SCHEDULE OF LONG-TERM DEBT - Continued**  
Year Ended September 30, 2019

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2018	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2019	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
<b>OTHER LONG-TERM DEBT - Continued:</b>									
<b>Water and Sewer Notes Payable</b>									
Drinking Water Loan	4.00%	9/1/05	5/1/25	\$ 456,306	\$ -	\$ (60,947)	\$ 395,359	\$ 63,430	\$ 14,660
Drinking Water Loan	1.95%	6/14/06	12/1/27	261,015	-	(26,004)	235,011	26,516	4,347
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	2,919,139	-	(354,809)	2,564,330	361,068	41,989
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	12,269,590	-	(1,244,938)	11,024,652	1,266,900	182,802
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	3,421,755	-	(168,528)	3,253,227	171,844	61,907
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	4,042,439	-	(202,539)	3,839,900	206,112	65,550
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	3,161,229	-	(156,632)	3,004,597	159,395	51,306
SRF - Annexed Water	1.95%	9/30/14	2/1/37	4,072,665	-	(185,634)	3,887,031	189,287	74,111
SRF - 2015 Water	1.95%	9/30/15	11/1/37	1,008,438	-	(43,826)	964,612	44,688	18,412
SRF - Annex Sewer 2014		In progress		6,878,666	1,490,613	-	8,369,279	-	-
Total Water and Sewer Notes Payable				38,491,242	1,490,613	(2,443,857)	37,537,998	2,489,240	515,084
<b>Mississippi Development Lease</b>	4.000 - 5.000%	9/21/00	7/1/25	-	-	-	-	-	-
<b>Special Obligation Bonds</b>									
Series 2018 - Water and Sewer Dept.	Variable (2% -5%)	4/12/18	5/1/33	8,935,000	-	(435,000)	8,500,000	475,000	372,350
Series 2018 - Electric Department	Variable (2% -5%)	4/12/18	5/1/33	5,740,000	-	(280,000)	5,460,000	300,000	248,100
Series 2019 - General	Variable (4%-5%)	7/18/19	7/1/49	-	15,000,000	-	15,000,000	-	-
				14,675,000	15,000,000	(715,000)	28,960,000	775,000	620,450
<b>Tax Increment Limited Obligation Bonds</b>									
Series 1998	5.70%	2/1/98	3/1/18	-	-	-	-	-	-
Series 2009	4.50%	5/13/09	5/1/24	315,000	-	(45,000)	270,000	50,000	12,150
Total Tax Increment Limited Obligation Bonds				315,000	-	(45,000)	270,000	50,000	12,150
<b>Northeast MS Regional Water Supply District</b>									
State Revolving Loan	3.00%	9/1/98	8/1/22	552,664	-	(165,769)	386,895	170,812	9,271
<b>Tupelo Airport Authority</b>									
Notes Payable	3.00%	9/1/00	8/1/22	107,376	-	(20,225)	87,151	20,832	2,614
<b>TOTAL OTHER LONG-TERM DEBT</b>				54,141,282	16,490,613	(3,389,851)	67,242,044	3,505,884	1,159,569
<b>Bond Premiums</b>				2,411,483	3,025,090	(338,678)	5,097,895	-	-
<b>TOTAL LONG-TERM DEBT</b>				\$ 119,389,734	\$ 25,900,703	\$ (15,634,998)	\$ 129,655,439	\$ 8,243,985	\$ 3,197,842

**CITY OF TUPELO**  
**RECONCILIATION OF ORIGINAL AD VALOREM TAX**  
**ROLLS TO FUND COLLECTIONS**  
Year Ended September 30, 2019

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
<b>Adjusted Assessed Valuation:</b>			
Realty	\$ 346,801,455	\$ 14,268,098	
Personal	92,892,718	27,377,602	
Personal - Auto (From County)	<u>61,317,856</u>	<u>4,283,246</u>	
Total Municipal at 96.57 Mills	<u>\$ 501,012,029</u>		48,382,732
Total School at 64.10 Mills		<u>\$ 45,928,946</u>	2,944,045
<b>Collections Adjustments:</b>			
Add:			
Municipal Homestead Reimbursement		\$ 591,418	
School Homestead Reimbursement		427,785	
Prior Year Tax Collections		241,083	
Penalties and Interest		74,091	
In-Lieu Taxes		1,181,324	
Special Assessments		<u>31,587</u>	2,547,288
Less:			
Cost of Collections		320,325	
School Homestead Loss		<u>786,847</u>	1,107,172
<b>TOTAL TO BE ACCOUNTED FOR</b>			<u><u>52,766,893</u></u>

**CITY OF TUPELO**  
**RECONCILIATION OF ORIGINAL AD VALOREM TAX**  
**ROLLS TO FUND COLLECTIONS**  
Year Ended September 30, 2019  
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
<b>Collection Credits to Funds:</b>			
Municipal General Fund	\$ 7,645,128	\$ 235,693	7,880,821
Special Assessments Fund	31,587	-	31,587
Tax Increment Bond Fund	187,046	-	187,046
City Bond & Interest Fund	3,431,878	126,589	3,558,467
Library Fund	478,984	17,668	496,652
Firemen & Policemen Retirement Fund	795,014	29,325	824,339
City Special Levy Street Improvements Fund	4,937,962	182,143	5,120,105
School Maintenance Fund	29,210,216	427,785	29,638,001
School Bond and Interest Fund	3,326,951	-	3,326,951
Tupelo/Lee County Vo-Tech	7	-	7
School Notes - Shortfall Note	1,636,210	-	1,636,210
Total Collections	\$ <u>51,680,983</u>	\$ <u>1,019,203</u>	52,700,186
<b>Balance Represented By:</b>			
Unpaid Property Taxes		\$ 66,660	
Unaccounted For (Over)		46	66,707
<b>TOTAL ACCOUNTED FOR</b>			<u><u>52,766,893</u></u>

**CITY OF TUPELO**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**  
September 30, 2019

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
Traci Carlock Dillard	Deputy Clerk	50,000	Western Surety Company
Kizzy Guy	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America

**CITY OF TUPELO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended September 30, 2019

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Grantor Agency ID Number</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>Environmental Protection Agency</b>			
<b>U. S. Department of Housing and Urban Development</b>			
Passed through State Office of:			
Mississippi Development Authority:			
Community Development Block Grant	1132-15-366-PF-01	14.228	\$ 63,511
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 63,511</b>
<b>U. S. Department of Justice</b>			
Passed through State Office of:			
Mississippi Emergency Management Agency:			
Hot Spot Award	17HS2322	16.738	\$ 92,324
Justice Assistance	2014-DJBX-0504	16.738	15,519
U.S. Treasury	19-NOR-406-AFF	16.738	23,178
OCDETF	SE-MSN-0094	16.738	14,049
U.S. Marshall Service		16.Ukn	7,126
Bulletproof Vest Partnership Program		16.607	2,648
Juvenile Mentoring Program	2017-NPAL-TO-106	16.726	28,818
<b>Total U.S. Department of Justice</b>			<b>\$ 183,662</b>
<b>Executive Office of the President</b>			
DEA State and Local Task Force Agreement		95.001	\$ 9,172
<b>Total Executive Office of the President</b>			<b>\$ 9,172</b>

**CITY OF TUPELO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended September 30, 2019

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Grantor Agency ID Number</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>U. S. Department of Homeland Security</b>			
Passed through State Office of:			
Mississippi Emergency Management Agency:			
Homeland Security Grant	18HS366T	97.067	\$ 45,000
Homeland Security Grant	18HS366	97.067	9,000
Homeland Security Grant	17LE366B	97.067	52,000
Homeland Security Grant	18LE366B	97.067	50,000
Assistance to Firefighters	EMW-2017-FO-02992	97.044	72,749
Emergency Management Assistance*	4175-DR-MS	97.039	353,848
<b>Total U. S. Department of Homeland Security</b>			<b>\$ 582,597</b>
<b>Appalachian Regional Commission</b>			
Passed through State Office of:			
Mississippi Development Authority:			
Appalachian Regional Commission		23.001	\$ 51,278
<b>Total Appalachian Regional Commission</b>			<b>\$ 51,278</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 890,220</b>

**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, 2019. 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 position, 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.

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

\* - Major Program



## REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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Jonathan Hagood, CPA

Michael Little, CPA

Rudolph Franks, CPA (1933-2019)

## **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, 2019, 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 31, 2020.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Franks, Franks, Wilemon & Hagood P.A.*

Franks, Franks, Wilemon and Hagood, P.A.  
Tupelo, Mississippi  
March 31, 2020

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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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2019.

## 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. 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 31, 2020



**CITY OF TUPELO, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2019**

**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>
<u>97.039</u>	<u>U.S. Department of Homeland Security – Emergency Management Assistance</u>

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, 2019, and have issued our report thereon dated March 31, 2020. 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 and use of management, federal awarding agencies, the Office of the State Auditor, and pass-through entities 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 31, 2020