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City of Tupelo, Mississippi

Financial Statements For the year ended September 30, 2020

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September 30, 2020**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable 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, 2020, 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 and the City of Tupelo, Mississippi Electric Department, which represent approximately 32 percent and 5 percent and 22 percent and 72 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, 2019 and ending June 30, 2020.

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, 2020, 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 25, 2021 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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2020

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, 2020. 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 \$263,324,000. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$262,758,103.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$64,010,986, a decrease of \$1,900,043 in comparison to the prior year. Approximately 37% of the combined fund balances, \$23,344,997 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$136,461,755. Debt in the amount of \$15,336,320 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$10,309,353 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 \$263,324,000 at the close of the most recent fiscal year. This is a \$565,897 increase over last year's net position of \$262,758,103. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2020 and 2019.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 85.7% and 78.9%, 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, 2020 and 2019, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current & Other Assets	\$ 69,488,755	\$ 69,957,004	\$ 48,920,779	\$ 61,265,459	\$ 118,409,534	\$ 131,222,463
Capital Assets	189,156,088	178,410,578	177,502,720	163,574,898	366,658,808	341,985,476
Total Assets	258,644,843	248,367,582	226,423,499	224,840,357	485,068,342	473,207,939
Total Deferred Outflows	3,755,654	1,338,322	798,613	499,231	4,554,267	1,837,553
Current Liabilities	8,760,020	7,633,411	17,001,177	16,783,507	25,761,197	24,416,918
Noncurrent Liabilities	132,390,123	119,544,319	63,887,234	63,940,232	196,277,357	183,484,551
Total Liabilities	141,150,143	127,177,730	80,888,411	80,723,739	222,038,554	207,901,469
Total Deferred Inflows	3,349,066	3,644,111	910,989	741,809	4,260,055	4,385,920
Net Position:						
Net Investment in						
Capital Assets	106,363,428	102,700,501	119,390,247	104,772,788	225,753,675	207,473,289
Restricted	36,066,184	37,255,302	25,595,905	34,152,756	61,662,089	71,408,058
Unrestricted (Deficit)	(24,528,324)	(21,071,740)	436,560	4,948,496	(24,091,764)	(16,123,244)
Total Net Position	\$ 117,901,288	\$ 118,884,063	\$ 145,422,712	\$ 143,874,040	\$ 263,324,000	\$ 262,758,103

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 \$436,560. 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 12.4% of the City's total revenues come from property taxes, with 39.1% of all revenue coming from some type of tax. (See Table A-2.) This compares to 11.3% and 36.6% for the fiscal year ended September 30, 2019. Another 55.9% 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 3,831,423	\$ 5,316,640	\$ 72,139,824	\$ 74,282,102	\$ 75,971,247	\$ 79,598,742
Operating Grants & Contributions	1,466,495	696,335	-	-	1,466,495	696,335
Capital Grants & Contributions	268,302	345,971	4,017,028	4,350,716	4,285,330	4,696,687
General Revenues:						
Property Taxes	16,773,915	16,252,184	-	-	16,773,915	16,252,184
Other Taxes	36,336,362	36,632,112	-	-	36,336,362	36,632,112
Investment Income	839,780	838,380	440,018	665,039	1,279,798	1,503,419
Gain on (Loss) Disposal of Assets	(2,597,952)	721,868	(636,784)	1,685,000	(3,234,736)	2,406,868
Other	2,867,786	2,385,392	63,066	400	2,930,852	2,385,792
Total Revenues	59,786,111	63,188,882	76,023,152	80,983,257	135,809,263	144,172,139
Expenses						
General Government	6,158,102	5,995,502	-	-	6,158,102	5,995,502
Public Safety	20,494,100	19,475,719	-	-	20,494,100	19,475,719
Public Works	10,752,185	10,891,143	-	-	10,752,185	10,891,143
Culture & Recreation	8,955,903	10,377,583	-	-	8,955,903	10,377,583
Other Functions	4,646,019	5,113,511	-	-	4,646,019	5,113,511
Capital Projects	3,924,511	3,709,877	-	-	3,924,511	3,709,877
Interest on Long-Term Debt	2,188,740	1,995,408	-	-	2,188,740	1,995,408
Water & Sewer	-	-	12,750,155	10,631,050	12,750,155	10,631,050
Electric	-	-	52,559,858	55,491,953	52,559,858	55,491,953
Solid Waste Management	-	-	3,869,369	3,358,626	3,869,369	3,358,626
N. MS Reg. Water Supp. Dist.	-	-	4,103,895	3,879,982	4,103,895	3,879,982
Total Expenses	57,119,560	57,558,743	73,283,277	73,361,611	130,402,837	130,920,354
Excess of Revenue Over Exp. Transfers	2,666,551	5,630,139	2,739,875	7,621,646	5,406,426	13,251,785
	(3,649,326)	(7,957,814)	(1,191,203)	(1,188,676)	(4,840,529)	(9,146,490)
Change in Net Position	(982,775)	(2,327,675)	1,548,672	6,432,970	565,897	4,105,295
Net Position—Beginning	118,884,063	121,211,738	143,874,040	137,441,070	262,758,103	258,652,808
Net Position—Ending	\$117,901,288	\$118,884,063	\$145,422,712	\$143,874,040	\$263,324,000	\$262,758,103

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities decreased the City's net position by \$982,775. 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 49.2%, property taxes 28.1% and charges for services 6.4%.

The largest expense categories for the City's governmental activities are public safety 35.9% and public works 18.8%.

Business-type Activities

Business-type activities increased the City's net position by \$1,548,672.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$13,113,079 for water and sewer, \$52,130,623 for electric, \$3,732,582 for solid waste management and \$3,163,540 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 \$23,344,997, which comprised 93.8% of total general fund balance. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 75.4% of total fund expenditures. The fund balance of the City's general fund increased by \$2,150,924 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$7,523,215, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$2,135,869.

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 \$23,993,992.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants or taxes from the federal and state governments. At the end of the current fiscal year, the fund balance was \$7,596,692, 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 \$145,422,712. Changes in net position, which totaled \$1,548,672, were as follows: the electric fund decreased by \$914,617, the water & sewer fund decreased by \$401,661, the solid waste management fund decreased by \$118,996 and Northeast Mississippi Regional Water Supply District increased by \$2,983,946.

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 2019 – 2020 general fund budget increased by \$108,417 and an overall operating budget decreased by \$2,397,628.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$39,969,413 in capital projects from fiscal years 2021 – 2024. The sources of revenues include federal grants, G.O. bonds, and general fund revenues.

Capital Assets—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounted to \$366,658,808, net of accumulated depreciation of \$254,834,007. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3

City of Tupelo's Capital Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 14,256,076	\$ 13,005,307	\$ 1,858,455	\$ 1,858,455	\$ 16,114,531	\$ 14,863,762
Infrastructure	148,525,937	141,688,248	-	-	148,525,937	141,688,248
Plant, Buildings, Improvements	112,306,600	114,485,672	230,542,351	213,363,948	342,848,951	327,849,620
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	29,160,888	28,401,781	28,413,246	17,814,847	57,574,134	46,216,628
Construction in Progress	22,230,577	9,576,024	27,301,875	34,545,550	49,532,452	44,121,574
Accumulated Depreciation	(137,323,990)	(128,746,454)	(117,510,017)	(110,904,712)	(254,834,007)	(239,651,166)
Total	\$ 189,156,088	\$ 178,410,578	\$ 177,502,720	\$ 163,574,898	\$ 366,658,808	\$ 341,985,476

Long-term Debt—At year-end, the City had \$136,461,755 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 45,337,465	\$ 51,219,078	\$ 322,535	\$ 470,922	\$ 45,660,000	\$ 51,690,000
Special Assessment Bonds	-	35,000	-	-	-	35,000
Special Obligation Bonds	-	-	13,195,000	13,960,000	13,195,000	13,960,000
Tax Increment Bonds	220,000	270,000	-	-	220,000	270,000
State Revolving Loans	-	-	216,083	386,895	216,083	386,895
Special Obligation Bonds	25,000,000	15,000,000	-	-	25,000,000	15,000,000
Notes Payable	6,649,201	5,590,500	38,557,076	37,537,998	45,206,277	43,128,498
Bond Premium	5,585,994	3,595,499	1,378,401	1,502,396	6,964,395	5,097,895
Total	\$ 82,792,660	\$ 75,710,077	\$ 53,669,095	\$ 53,858,211	\$136,461,755	\$129,568,288

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2021 are summarized as follows:

1. Sales tax revenues will decrease 1% due to Covid-19.
2. Property tax revenue will increase 5%.
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 2021 fiscal year budget. This includes 12.97 mills for the General Fund, 10 mills for the Thoroughfare Fund, .94 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 an increase in health insurance. Due to the expected increase, a cost-of-living increase will be reviewed in December for a possible effective date of January 1, 2021.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>ASSETS:</u>				
Current Assets:				
Cash	\$ 55,172,249	\$ 13,348,132	\$ 68,520,381	\$ 1,663,654
Cash - Restricted	-	3,217,581	3,217,581	-
Investments	6,169,007	-	6,169,007	-
General Property Taxes Receivable	604,924	-	604,924	-
Other Receivables	291,653	384,705	676,358	-
Accounts Receivable, Net	1,718,817	6,292,631	8,011,448	15,513
Accounts Receivable - Restricted	-	278,157	278,157	-
Unbilled Revenue	-	1,598,305	1,598,305	-
Due from Other Funds	2,250,000	4,658	2,254,658	-
Due from Other Governmental Units	2,591,834	-	2,591,834	375,729
Due from Other Governmental Units - Restricted	-	608,745	608,745	-
Due from Component Units	43,056	-	43,056	-
Inventories	85,691	881,334	967,025	-
Prepaid Expenses	490,103	114,955	605,058	1,685
Other Current Assets	-	146,893	146,893	-
TOTAL CURRENT ASSETS	69,417,334	26,876,096	96,293,430	2,056,581
Noncurrent Assets:				
Cash - Restricted	-	21,772,762	21,772,762	-
Notes Receivable	71,421	166,578	237,999	-
Other Receivables	-	60,314	60,314	-
Other Assets	-	45,029	45,029	-
Capital Assets:				
Land	14,256,076	1,858,455	16,114,531	6,099,049
Plant, Buildings and Improvements	112,306,600	230,542,351	342,848,951	51,193,691
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	29,160,888	28,413,246	57,574,134	1,434,974
Infrastructure	148,525,937	-	148,525,937	-
Construction in Progress	22,230,577	27,301,875	49,532,452	196,982
Accumulated Depreciation	(137,323,990)	(117,510,017)	(254,834,007)	(29,257,107)
TOTAL NONCURRENT ASSETS	189,227,509	199,547,403	388,774,912	29,667,589
TOTAL ASSETS	258,644,843	226,423,499	485,068,342	31,724,170
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows Related to Pensions	3,755,654	798,613	4,554,267	71,326
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,755,654	\$ 798,613	\$ 4,554,267	\$ 71,326

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2020

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 2,319,382	\$ 6,308,758	\$ 8,628,140	\$ 385,735
Accrued Expenses	712,896	113,676	826,572	49,913
Accrued Interest Payable	693,209	278,762	971,971	-
Due to Other Funds	-	2,520,659	2,520,659	-
Due to Other Governmental Units and Entities	-	-	-	1,011,083
Unearned Revenues	682,982	-	682,982	8,657
Long-Term Debt: Due Within One Year	4,307,859	4,074,304	8,382,163	-
Customer and Event Deposits	43,692	3,705,018	3,748,710	-
TOTAL CURRENT LIABILITIES	8,760,020	17,001,177	25,761,197	1,455,388
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	171,902	171,902	-
Accrued Compensated Absences	1,060,346	126,391	1,186,737	-
Due to Other Funds	-	3,023,750	3,023,750	-
Net Pension Liability	52,844,976	10,970,400	63,815,376	1,030,084
Long-Term Debt: Due in More Than One Year	78,484,801	49,594,791	128,079,592	-
TOTAL NONCURRENT LIABILITIES	132,390,123	63,887,234	196,277,357	1,030,084
TOTAL LIABILITIES	141,150,143	80,888,411	222,038,554	2,485,472
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows Related to Pensions	3,349,066	910,989	4,260,055	18,061
TOTAL DEFERRED INFLOWS OF RESOURCES	3,349,066	910,989	4,260,055	18,061
<u>NET POSITION</u>				
Net Investment in Capital Assets	106,363,428	119,390,247	225,753,675	29,589,984
Restricted for:				
Capital Projects	21,086,612	22,381,507	43,468,119	-
Debt Service	7,743,240	3,214,398	10,957,638	-
Special Revenue	6,093,200	-	6,093,200	-
Water Reserve	570,141	-	570,141	-
Home Grant	572,991	-	572,991	-
Unrestricted (Deficit)	(24,528,324)	436,560	(24,091,764)	(298,021)
TOTAL NET POSITION	\$ 117,901,288	\$ 145,422,712	\$ 263,324,000	\$ 29,291,963
TOTAL LIABILITIES AND NET POSITION	\$ 259,051,431	\$ 226,311,123	\$ 485,362,554	\$ 31,777,435

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2020

						Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT Tupelo Airport Authority
FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES			PRIMARY GOVERNMENT				
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 6,158,102	\$ 738,744	\$ 87,418	\$ -	\$ 826,162	\$ (5,331,940)	\$ -	\$ (5,331,940)	\$ -
Public Safety	20,494,100	881,156	368,376	105,458	1,354,990	(19,139,110)	-	(19,139,110)	-
Public Works	10,752,185	-	-	62,793	62,793	(10,689,392)	-	(10,689,392)	-
Culture and Recreation	8,955,903	2,211,523	1,010,701	-	3,222,224	(5,733,679)	-	(5,733,679)	-
Other Functions	4,646,019	-	-	-	-	(4,646,019)	-	(4,646,019)	-
Capital Projects	3,924,511	-	-	100,051	100,051	(3,824,460)	-	(3,824,460)	-
Interest on Long-Term Debt	2,188,740	-	-	-	-	(2,188,740)	-	(2,188,740)	-
TOTAL GOVERNMENTAL ACTIVITIES	57,119,560	3,831,423	1,466,495	268,302	5,566,220	(51,553,340)	-	(51,553,340)	-
Business-Type Activities:									
Water and Sewer	12,750,155	13,113,079	-	367,856	13,480,935	-	730,780	730,780	-
Electric	52,559,858	52,130,623	-	-	52,130,623	-	(429,235)	(429,235)	-
Northeast MS Regional Water Supply Dist.	4,103,895	3,163,540	-	3,649,172	6,812,712	-	2,708,817	2,708,817	-
Solid Waste Management	3,869,369	3,732,582	-	-	3,732,582	-	(136,787)	(136,787)	-
TOTAL BUSINESS-TYPE ACTIVITIES	73,283,277	72,139,824	-	4,017,028	76,156,852	-	2,873,575	2,873,575	-
TOTAL PRIMARY GOVERNMENT	\$ 130,402,837	\$ 75,971,247	\$ 1,466,495	\$ 4,285,330	\$ 81,723,072	\$ (51,553,340)	\$ 2,873,575	\$ (48,679,765)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 2,367,928	\$ 778,134	\$ 361,361	\$ 612,409	\$ 1,751,904	\$ -	\$ -	\$ -	\$ (616,024)
GENERAL REVENUES:									
Taxes:						-			
Property Taxes, Levied for General Purposes						\$ 6,591,001	\$ -	\$ 6,591,001	\$ -
Property Taxes, Levied for Capital Outlay						5,093,347	-	5,093,347	-
Property Taxes, Levied for Special Revenue						1,314,162	-	1,314,162	-
Property Taxes, Levied for Debt Service						3,775,405	-	3,775,405	-
Sales Taxes						29,440,115	-	29,440,115	-
County Pro Rata Taxes						1,252,177	-	1,252,177	-
Franchise Taxes						390,178	-	390,178	-
In Lieu Taxes						4,565,980	-	4,565,980	-
Other Taxes						687,912	-	687,912	-
Homestead Reimbursement						623,064	-	623,064	-
Fire Protection Allocation						208,410	-	208,410	-
Investment Earnings						839,780	440,018	1,279,798	14,656
Gain (Loss) on Disposal of Assets						(2,597,952)	(636,784)	(3,234,736)	-
Miscellaneous						2,036,312	63,066	2,099,378	-
Transfers (to) from Component Units						(3,649,326)	(1,191,203)	(4,840,529)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						50,570,565	(1,324,903)	49,245,662	14,656
CHANGE IN NET POSITION						(982,775)	1,548,672	565,897	(601,368)
NET POSITION--BEGINNING, as previously stated						119,483,088	143,874,040	263,357,128	29,893,331
PRIOR PERIOD ADJUSTMENT						(599,025)	-	(599,025)	-
NET POSITION--BEGINNING, as restated						118,884,063	143,874,040	262,758,103	29,893,331
NET POSITION--ENDING						\$ 117,901,288	\$ 145,422,712	\$ 263,324,000	\$ 29,291,963

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General Fund	City Infrastructure Fund	Special Obligation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash	\$ 20,678,109	\$ 13,766,959	\$ 5,332,251	\$ 15,394,930	\$ 55,172,249
Investments	-	19,503	-	6,149,504	6,169,007
General Property Taxes Receivable	255,680	-	-	349,244	604,924
Other Receivable	191,850	-	-	99,803	291,653
Notes Receivable	-	-	-	71,421	71,421
Due from Other Funds	2,250,000	-	-	-	2,250,000
Due from Other Government Units	2,236,232	-	-	355,602	2,591,834
Due from Component Units	43,056	-	-	-	43,056
Prepaid Expenses	381,013	-	-	109,090	490,103
Inventories	27,945	-	-	57,746	85,691
TOTAL ASSETS	\$ 26,063,885	\$ 13,786,462	\$ 5,332,251	\$ 22,587,340	\$ 67,769,938
<u>LIABILITIES AND FUND BALANCES:</u>					
<u>LIABILITIES:</u>					
Accounts Payable	\$ 316,812	\$ 390,991	\$ 1,206,761	\$ 404,818	\$ 2,319,382
Accrued Expenses	699,072	-	-	13,824	712,896
Unearned Revenues	150,914	-	-	532,068	682,982
Event Deposits	-	-	-	43,692	43,692
TOTAL LIABILITIES	1,166,798	390,991	1,206,761	994,402	3,758,952
<u>FUND BALANCES:</u>					
Nonspendable					
Prepaid Expenses	381,013	-	-	109,090	490,103
Inventory	27,945	-	-	57,746	85,691
Restricted for					
Library	-	-	-	88,596	88,596
Tourism Promotion	-	-	-	4,543,828	4,543,828
Public Safety Retirement	-	-	-	28,844	28,844
Law Enforcement	-	-	-	1,431,932	1,431,932
Const. Acquisition of Capital Assets	-	11,249,709	4,125,490	5,456,943	20,832,142
Public Safety Equipment	-	-	-	254,470	254,470
Debt Service	-	-	-	7,523,215	7,523,215
Home Grant	572,991	-	-	-	572,991
Water Reserve	570,141	-	-	-	570,141
Committed to					
Rental Rehabilitation	-	-	-	72,444	72,444
Fairpark Infrastructure	-	-	-	604,932	604,932
Const. Acquisition of Capital Assets	-	2,145,762	-	156,686	2,302,448
Assigned to					
Coliseum Projects	-	-	-	703,743	703,743
Coliseum Operations	-	-	-	548,596	548,596
Transportation	-	-	-	11,873	11,873
Unassigned	23,344,997	-	-	-	23,344,997
TOTAL FUND BALANCES	24,897,087	13,395,471	4,125,490	21,592,938	64,010,986
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,063,885	\$ 13,786,462	\$ 5,332,251	\$ 22,587,340	\$ 67,769,938

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, 2020

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 64,010,986
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.	189,156,088
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.	(77,899,875)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,060,346)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(52,844,976)
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	3,755,654
Deferred inflows of resources related to defined benefit pension plan	(3,349,066)
Accrual of court fine revenues to qualify as financial resources.	1,718,817
Premium on bonds issued are deferred and amortized on the statement of net position.	<u>(5,585,994)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 117,901,288</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, 2020

	General Fund	City Infrastructure Fund	Special Obligation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 7,829,506	\$ -	\$ -	\$ 10,182,914	\$ 18,012,420
Licenses and Permits	1,128,922	-	-	-	1,128,922
Intergovernmental Revenues	27,982,830	65,051	-	9,193,403	37,241,284
Charges for Services	380,764	-	-	2,005,589	2,386,353
Fines and Forfeitures	593,236	-	-	111,211	704,447
Miscellaneous Revenues	1,003,439	399,862	159,221	2,375,123	3,937,645
TOTAL REVENUES	38,918,697	464,913	159,221	23,868,240	63,411,071
EXPENDITURES:					
Current:					
General Government	5,279,564	-	-	-	5,279,564
Public Safety	17,182,583	-	-	1,032,342	18,214,925
Public Works	5,009,775	-	-	-	5,009,775
Culture and Recreation	3,822,539	-	-	3,508,959	7,331,498
Other Functions	1,094,256	-	-	2,689,218	3,783,474
Capital Projects	-	9,874,763	10,661,729	6,463,451	26,999,943
Debt Service	615,957	-	-	8,191,213	8,807,170
TOTAL EXPENDITURES	33,004,674	9,874,763	10,661,729	21,885,183	75,426,349
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	5,914,023	(9,409,850)	(10,502,508)	1,983,057	(12,015,278)
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	(3,942,294)	(674,917)	-	(3,434,470)	(8,051,681)
Transfers from Other Funds	179,195	3,017,174	-	4,855,312	8,051,681
Transfers to Component Units	-	-	-	(3,942,571)	(3,942,571)
Transfers from Component Units	-	-	-	293,245	293,245
Bond Premium Received	-	2,264,561	-	-	2,264,561
Proceeds from Debt Issued	-	11,500,000	-	-	11,500,000
TOTAL OTHER FINANCING SOURCES (USES)	(3,763,099)	16,106,818	-	(2,228,484)	10,115,235
NET CHANGE IN FUND BALANCES	2,150,924	6,696,968	(10,502,508)	(245,427)	(1,900,043)
FUND BALANCES - Beginning, as Previously Stated	22,746,163	6,698,503	15,006,998	22,058,390	66,510,054
Prior Period Adjustment	-	-	(379,000)	(220,025)	(599,025)
FUND BALANCES - Beginning, as Restated	22,746,163	6,698,503	14,627,998	21,838,365	65,911,029
FUND BALANCES - Ending	\$ 24,897,087	\$ 13,395,471	\$ 4,125,490	\$ 21,592,938	\$ 64,010,986

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,900,043)
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.	23,666,150
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.	(9,293,801)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	1,879
The amortization of the discount and premium are reported as a reduction to expense on the statement of activities.	274,066
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.	(3,626,839)
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.	(2,718,449)
The change in accrued interest payable is reported as an expense on the statement of activities.	(63,548)
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.	6,407,912
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	(11,500,000)
Premium on issuance of bonds	(2,264,561)
Decrease in accrual of compensated absences.	<u>34,459</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>(982,775)</u></u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget (Unfavorable)
REVENUES:				
Taxes	\$ 7,623,617	\$ 7,623,617	\$ 7,877,227	\$ 253,610
Licenses and Permits	997,500	997,500	1,102,201	104,701
Intergovernmental Revenues	27,074,759	25,831,480	27,773,198	1,941,718
Charges for Services	730,000	530,000	380,764	(149,236)
Fines and Forfeitures	726,000	626,000	593,236	(32,764)
Miscellaneous Revenues	653,400	727,680	1,019,691	292,011
TOTAL REVENUES	37,805,276	36,336,277	38,746,317	2,410,040
EXPENDITURES:				
Current:				
General Government	5,809,909	5,777,609	5,279,564	498,045
Public Safety	17,559,435	17,569,852	17,182,583	387,269
Public Works	5,473,778	5,567,278	5,009,775	557,503
Culture and Recreation	4,273,324	4,138,424	3,822,539	315,885
Other Functions	1,082,063	1,201,963	1,094,256	107,707
Debt Service	564,791	616,591	615,957	634
TOTAL EXPENDITURES	34,763,300	34,871,717	33,004,674	1,867,043
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,041,976	1,464,560	5,741,643	4,277,083
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	176,471	176,471	179,195	2,724
Transfers to Other Funds	(2,602,710)	(3,942,294)	(3,942,294)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,426,239)	(3,765,823)	(3,763,099)	2,724
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ 615,737	\$ (2,301,263)	\$ 1,978,544	\$ 4,279,807

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
CITY INFRASTRUCTURE FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2020

	Budget			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 800,000	\$ 1,084,900	\$ 65,051	\$ (1,019,849)
Miscellaneous Revenues:				
Interest	-	-	123,591	123,591
Donations	-	-	35,000	35,000
Other	-	200,000	241,271	41,271
TOTAL REVENUES	<u>800,000</u>	<u>1,284,900</u>	<u>464,913</u>	<u>(819,987)</u>
EXPENDITURES:				
Bond Issue Costs	-	380,500	380,500	-
Other Services and Charges	3,406,048	4,645,431	2,667,172	1,978,259
Capital Outlay	<u>6,436,161</u>	<u>16,966,128</u>	<u>6,827,091</u>	<u>10,139,037</u>
TOTAL EXPENDITURES	<u>9,842,209</u>	<u>21,992,059</u>	<u>9,874,763</u>	<u>12,117,296</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,042,209)</u>	<u>(20,707,159)</u>	<u>(9,409,850)</u>	<u>11,297,309</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from General Obligation				
Bonds or Debt Issued	-	11,500,000	11,500,000	-
Bond Premium Received	-	2,264,561	2,264,561	-
Transfers from Other Funds	3,027,590	2,634,554	3,017,174	382,620
Transfers to Other Funds	<u>-</u>	<u>(674,917)</u>	<u>(674,917)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,027,590</u>	<u>15,724,198</u>	<u>16,106,818</u>	<u>382,620</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (6,014,619)</u>	<u>\$ (4,982,961)</u>	<u>\$ 6,696,968</u>	<u>\$ 11,679,929</u>

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, 2020

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ 159,221	\$ 159,221
TOTAL REVENUES	-	-	159,221	159,221
EXPENDITURES:				
Capital Outlay	15,410,474	15,410,474	10,661,729	4,748,745
TOTAL EXPENDITURES	15,410,474	15,410,474	10,661,729	4,748,745
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (15,410,474)	\$ (15,410,474)	\$ (10,502,508)	\$ 4,907,966

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2020

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
ASSETS					
Current Assets - Unrestricted					
Cash	\$ 8,049,266	\$ 4,132,609	\$ 626	\$ 1,165,631	\$ 13,348,132
Receivables, Net					
Accounts Receivable	6,292,631	-	-	-	6,292,631
Unbilled Revenue	1,362,437	235,868	-	-	1,598,305
Other Receivables	288,282	96,423	-	-	384,705
Due from Other Funds	-	-	-	4,658	4,658
Inventories	735,534	62,809	82,991	-	881,334
Prepaid Expenses	64,280	29,387	21,288	-	114,955
Other Current Assets	146,893	-	-	-	146,893
Current Amount of Restricted Assets	-	-	4,104,483	-	4,104,483
Total Current Assets	16,939,323	4,557,096	4,209,388	1,170,289	26,876,096
Restricted Assets					
Cash	-	-	24,990,343	-	24,990,343
Accounts Receivable	-	-	278,157	-	278,157
Intergovernmental Receivable	-	-	608,745	-	608,745
Total Restricted Assets	-	-	25,877,245	-	25,877,245
Current Amounts Above	-	-	(4,104,483)	-	(4,104,483)
Total Non-Current Restricted Assets	-	-	21,772,762	-	21,772,762
Capital Assets					
Plant and Equipment	64,473,340	145,729,208	47,914,108	838,941	258,955,597
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	1,953,979	2,816,597	22,531,299	-	27,301,875
Total	66,760,332	156,217,724	71,195,740	838,941	295,012,737
Less: Accumulated Depreciation	33,488,753	58,230,618	25,315,847	474,799	117,510,017
Net Capital Assets	\$ 33,271,579	\$ 97,987,106	\$ 45,879,893	\$ 364,142	\$ 177,502,720

NOTE -- Amounts for the Electric Fund are at June 30, 2020.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2020

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Other Assets					
Other Assets	\$ -	\$ 8,900	\$ 36,129	\$ -	\$ 45,029
Receivable from Customers for Energy Conservation Loans	166,578	-	-	-	166,578
Receivable from CSA	60,314	-	-	-	60,314
Total Other Assets	226,892	8,900	36,129	-	271,921
Total Assets	50,437,794	102,553,102	71,898,172	1,534,431	226,423,499
DEFERRED OUTFLOWS OF RESOURCES	428,511	303,612	14,675	51,815	798,613
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted Current Assets:					
Accounts Payable	4,384,215	388,259	-	204,136	4,976,610
Customer and Other Deposits	2,940,086	764,932	-	-	3,705,018
Accrued Interest	38,984	239,778	-	-	278,762
Accrued Expenses	110,316	-	-	-	110,316
Due to Other Funds	83,281	2,251,128	-	-	2,334,409
Total Payable from Unrestricted Current Assets	7,556,882	3,644,097	-	204,136	11,405,115
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	186,250	-	186,250
Accounts Payable	-	-	98,770	-	98,770
Accrued Payroll and Payroll Taxes	-	-	3,360	-	3,360
Construction / Retainage Payable	-	-	1,233,378	-	1,233,378
Bonds, Notes, and Loans Payable	305,000	3,612,643	156,661	-	4,074,304
Total Payable from Restricted Current Assets	305,000	3,612,643	1,678,419	-	5,596,062
Total Current Liabilities	\$ 7,861,882	\$ 7,256,740	\$ 1,678,419	\$ 204,136	\$ 17,001,177

NOTE -- Amounts for the Electric Fund are at June 30, 2020.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2020

-Continued-

Business-Type Activities--Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Long-Term Liabilities - Net of Current Maturities					
Net Pension Liability	\$ 5,766,823	\$ 4,279,380	\$ 193,588	\$ 730,609	\$ 10,970,400
Accrued Compensated Absences	72,099	54,292	-	-	126,391
Due to City of Tupelo					
Water G. O. Bond Fund	-	-	3,023,750	-	3,023,750
Advances from TVA	171,902	-	-	-	171,902
Bonds, Notes, and Loans Payable	<u>5,398,595</u>	<u>44,136,774</u>	<u>59,422</u>	<u>-</u>	<u>49,594,791</u>
Total Long-Term Liabilities	<u>11,409,419</u>	<u>48,470,446</u>	<u>3,276,760</u>	<u>730,609</u>	<u>63,887,234</u>
Total Liabilities	<u>19,271,301</u>	<u>55,727,186</u>	<u>4,955,179</u>	<u>934,745</u>	<u>80,888,411</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>434,177</u>	<u>431,579</u>	<u>297</u>	<u>44,936</u>	<u>910,989</u>
Net Position					
Net Investment in Capital Assets	27,567,984	50,237,689	41,220,432	364,142	119,390,247
Restricted for:					
Capital Projects	-	-	22,381,507	-	22,381,507
Operations and Debt Service	-	-	3,214,398	-	3,214,398
Unrestricted (Deficit)	<u>3,592,843</u>	<u>(3,539,740)</u>	<u>141,034</u>	<u>242,423</u>	<u>436,560</u>
Total Net Position	<u>\$ 31,160,827</u>	<u>\$ 46,697,949</u>	<u>\$ 66,957,371</u>	<u>\$ 606,565</u>	<u>\$ 145,422,712</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2020.

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, 2020

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING REVENUES					
Charges for Services	\$ 51,166,654	\$ 12,773,991	\$ 3,163,540	\$ 3,406,332	\$ 70,510,517
Rents	352,678	140,176	-	-	492,854
Other Revenues	611,291	198,912	-	326,250	1,136,453
Total Operating Revenues	52,130,623	13,113,079	3,163,540	3,732,582	72,139,824
OPERATING EXPENSES					
General and Administrative	1,271,382	639,855	199,936	-	2,111,173
Power Purchased	43,166,890	-	-	-	43,166,890
Transmission Mains	-	1,127,066	-	-	1,127,066
Water Operations	-	1,535,084	2,670,536	-	4,205,620
Sewer Operations	-	3,270,584	-	-	3,270,584
Electric Operations	766,742	-	-	-	766,742
Sanitation Operations	-	-	-	3,829,951	3,829,951
Customer Accounting and Collecting	782,360	578,222	-	-	1,360,582
Customer Service and Information	33,765	-	-	-	33,765
Maintenance and Repair	871,912	-	-	-	871,912
Sales Expense	41,989	-	-	-	41,989
Taxes and Equivalents	3,471,611	-	-	-	3,471,611
Amortization and Depreciation	1,948,389	4,233,201	1,224,152	33,714	7,439,456
Total Operating Expenses	52,355,040	11,384,012	4,094,624	3,863,665	71,697,341
Net Operating Income	(224,417)	1,729,067	(931,084)	(131,083)	442,483
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	151,402	58,762	212,063	17,791	440,018
Gain (Loss) on Disposal of Capital Assets	(636,784)	-	-	-	(636,784)
Bad Debts	-	(16,162)	-	(5,704)	(21,866)
Interest Expense	(204,818)	(1,349,981)	(9,271)	-	(1,564,070)
Miscellaneous Income	-	-	63,066	-	63,066
Total Non-operating Revenues (Expenses)	(690,200)	(1,307,381)	265,858	12,087	(1,719,636)
Income (Loss) before Operating Transfers	\$ (914,617)	\$ 421,686	\$ (665,226)	\$ (118,996)	\$ (1,277,153)

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2020.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2020
-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District District for Debt Service	\$ -	\$ (1,191,203)	\$ -	\$ -	\$ (1,191,203)
Total Operating Transfers In (Out)	-	(1,191,203)	-	-	(1,191,203)
Increase (Decrease) in Net Assets Before Capital Contributions	(914,617)	(769,517)	(665,226)	(118,996)	(2,468,356)
Capital Grants and Contributions	-	367,856	3,649,172	-	4,017,028
Change in Net Position	(914,617)	(401,661)	2,983,946	(118,996)	1,548,672
TOTAL NET POSITION -					
Beginning of Year	32,075,444	47,099,610	63,973,425	725,561	143,874,040
TOTAL NET POSITION -					
End of Year	\$ 31,160,827	\$ 46,697,949	\$ 66,957,371	\$ 606,565	\$ 145,422,712

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2020.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2020

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 52,831,104	\$ 13,106,197	\$ 3,217,314	\$ 3,726,878	\$ 72,881,493
Payments to Suppliers	(43,629,438)	(5,525,691)	(2,862,800)	(3,231,360)	(55,249,289)
Payments to Employees	(2,269,669)	(1,421,333)	(82,521)	(366,744)	(4,140,267)
Payments for Other Services and Charges	(4,304,994)	-	-	-	(4,304,994)
Other Receipts (Payments)	21,162	46,726	-	(363)	67,525
Net Cash Provided by (Used in) Operating Activities	2,648,165	6,205,899	271,993	128,411	9,254,468
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	63,066	-	63,066
Due To (From) Municipality	62,626	(44,426)	-	(4,007)	14,193
Transfers In (Out)	-	(1,191,203)	-	-	(1,191,203)
Net Cash Provided by (Used In) Noncapital Financing Activities	62,626	(1,235,629)	63,066	(4,007)	(1,113,944)
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	367,856	3,942,572	-	4,310,428
Proceeds from Bonds and Notes Payable	-	3,836,320	-	-	3,836,320
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(178,333)	-	(178,333)
Payments for Debt	(300,000)	(3,430,629)	(170,812)	-	(3,901,441)
Purchase of Capital Assets	(3,936,388)	(5,632,303)	(12,382,339)	(295,079)	(22,246,109)
Cost of Removal of Fixed Assets, Net of Salvage	(80,141)	-	-	-	(80,141)
Conservation Advances from TVA	(69,465)	-	-	-	(69,465)
Interest Paid	(248,100)	(1,381,874)	(9,271)	-	(1,639,245)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(4,634,094)	(6,240,630)	(8,798,183)	(295,079)	(19,967,986)
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	64,518	-	-	-	64,518
(Increase) Decrease in Receivable from CSA	(5,033)	-	-	-	(5,033)
Interest and Dividends	151,402	58,762	212,063	17,791	440,018
Net Cash Provided by (Used In) Investing Activities	210,887	58,762	212,063	17,791	499,503
Net Increase (Decrease) In Cash and Cash Equivalents	(1,712,416)	(1,211,598)	(8,251,061)	(152,884)	(11,327,959)
Cash and Cash Equivalents--Beginning	9,761,682	5,344,207	33,242,030	1,318,515	49,666,434
Cash and Cash Equivalents--Ending	\$ 8,049,266	\$ 4,132,609	\$ 24,990,969	\$ 1,165,631	\$ 38,338,475

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2020.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2020

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (224,417)	\$ 1,729,067	\$ (931,084)	\$ (131,083)	\$ 442,483
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	1,948,389	4,233,201	1,224,152	33,714	7,439,456
Net Pension Expense	349,190	174,703	5,181	216,960	746,034
Provision for Uncollectible Accounts	(4,994)	(16,162)	-	(5,704)	(26,860)
Decrease (Increase) in Assets:					
Accounts Receivable	762,682	-	53,774	-	816,456
Unbilled Revenue	(3,159)	28,565	-	-	25,406
Other Receivables	(1,637)	(19,285)	-	-	(20,922)
Inventory	(101,222)	551	(27,157)	-	(127,828)
Prepaid Expenses	(1,438)	5,155	843	-	4,560
Other Current Assets	(31,249)	-	(7,102)	-	(38,351)
Increase (Decrease) in Liabilities:					
Accounts Payable	(98,593)	24,255	(46,705)	14,887	(106,156)
Customer and Other Deposits	123,830	41,571	-	-	165,401
Accrued Expenses	(69,217)	4,278	91	(363)	(65,211)
Total Adjustments	2,872,582	4,476,832	1,203,077	259,494	8,811,985
Net Cash Provided by (Used in) Operating Activities	\$ 2,648,165	\$ 6,205,899	\$ 271,993	\$ 128,411	\$ 9,254,468

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2020.

See accompanying notes to financial statements.

CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2020

	Agency Funds
ASSETS	
Cash	\$ 711,543
Investments	<u>500</u>
TOTAL ASSETS	\$ <u>712,043</u>
 LIABILITIES	
Accounts Payable	\$ 50,234
Due to Complainants	6,964
Due to Arts Committee	764
Due to Insured Employees	430,127
Seized Money Held	<u>223,954</u>
TOTAL LIABILITIES	\$ <u>712,043</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020

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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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, 2020

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Discretely Presented Component Unit	Description of Activities and Relationship to the City
Tupelo Airport Authority (Airport Authority)	<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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

Electric Plant Assets:

Transmission Plant	33 - 36 years
Electric Distribution Plant	20 - 50 years
General Electric Plant	10 - 50 years

Airport Facilities:

Equipment	2 - 15 years
Furniture and Fixtures	7 - 10 years
Runways/Taxiway and Lighting	7 - 25 years

City Assets:

Equipment	3 - 10 years
Buildings	30 - 40 years
Other Improvements	20 years
Infrastructure	20 - 50 years

ENCUMBRANCES

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

CASH AND INVESTMENTS

Cash consists of amounts on deposit with financial institutions in demand accounts, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition. Cash is valued at cost. Investments consist of US Treasury notes and US government securities funds. The City deposits funds in the financial institutions selected by the City Council in accordance with state statutes. 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.

The carrying amount of the City's deposits with financial institutions was \$93,510,724, and the bank balance was \$107,410,570. The carrying amount for the Tupelo Airport Authority was \$1,662,396, and the bank balance was \$1,703,310.

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, 2020

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.

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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020

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, 2020, consist of allocations of general property ad valorem taxes of \$820,077 and homestead exemption reimbursement of \$30,894 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>\$ 5,100,108</u>
Assumed Rate of Return Used in Plan Evaluation	7.75%
Plan Evaluation Date	June 30, 2020
Plan Assets Available for Benefits as of June 30, 2020	<u>\$ 4,724,000</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, 2020

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, 2020

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, 2020 is as follows:

	<u>City</u>	<u>TPSD</u>
Real Property	\$ 351,040,348	\$ 13,891,947
Personal Property - Other Than Motor Vehicles & Mobile Homes	103,311,256	15,078,818
Personal Property - Motor Vehicles & Mobile Homes	<u>62,634,578</u>	<u>4,518,745</u>
	<u>\$ 516,986,182</u>	<u>\$ 33,489,510</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, 2020

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, 2020:

	<u>Balance Oct. 1, 2019</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2020</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 13,005,307	\$ 2,263,090	\$ (1,012,321)	\$ 14,256,076
Construction in Progress	<u>9,576,024</u>	<u>19,492,242</u>	<u>(6,837,689)</u>	<u>22,230,577</u>
Total Capital Assets, not being Depreciated:	22,581,331	21,755,332	(7,850,010)	36,486,653
Capital Assets being Depreciated:				
Buildings and Improvements	114,485,672	282,038	(2,461,110)	112,306,600
Machinery and Equipment	28,401,781	1,628,780	(869,673)	29,160,888
Infrastructure	<u>141,688,248</u>	<u>-</u>	<u>6,837,689</u>	<u>148,525,937</u>
Total Capital Assets, being Depreciated	284,575,701	1,910,018	3,506,906	289,993,425
Less Accumulated Depreciation for:				
Buildings and Improvements	(29,269,352)	(2,886,840)	288,744	(31,867,448)
Machinery and Equipment	(20,020,591)	(1,709,588)	427,521	(21,302,658)
Infrastructure	<u>(79,456,511)</u>	<u>(4,697,373)</u>	<u>-</u>	<u>(84,153,884)</u>
Total Accumulated Depreciation	<u>(128,746,454)</u>	<u>(9,293,801)</u>	<u>716,265</u>	<u>(137,323,990)</u>
Total Governmental Activities				
Capital Assets, net	\$ <u><u>178,410,578</u></u>	\$ <u><u>14,372,349</u></u>	\$ <u><u>(3,626,839)</u></u>	\$ <u><u>189,156,088</u></u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 - CAPITAL ASSETS – continued

	<u>Balance Oct. 1, 2019</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2020</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,858,455	\$ -	\$ -	\$ 1,858,455
Construction in Progress	<u>34,545,550</u>	<u>16,045,880</u>	<u>(23,289,555)</u>	<u>27,301,875</u>
Total Capital Assets, not being Depreciated:	36,404,005	16,045,880	(23,289,555)	29,160,330
Capital Assets being Depreciated:				
Buildings and Improvements	220,259,964	4,936,147	12,243,050	237,439,164
Machinery and Equipment	<u>17,815,641</u>	<u>941,894</u>	<u>9,655,711</u>	<u>28,413,243</u>
Total Capital Assets, being Depreciated	238,075,605	5,878,041	21,898,761	265,852,407
Less Accumulated Depreciation for:				
Buildings and Improvements	(96,542,760)	(6,672,454)	834,272	(102,380,942)
Machinery and Equipment	<u>(14,361,952)</u>	<u>(767,002)</u>	<u>(121)</u>	<u>(15,129,075)</u>
Total Accumulated Depreciation	<u>(110,904,712)</u>	<u>(7,439,456)</u>	<u>834,151</u>	<u>(117,510,017)</u>
Total Business-Type Activities				
Capital Assets, net	\$ <u>163,574,898</u>	\$ <u>14,484,465</u>	\$ <u>(556,643)</u>	\$ <u>177,502,720</u>
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	<u>787,376</u>	<u>422,007</u>	<u>(1,012,401)</u>	<u>196,982</u>
Total Capital Assets, not being Depreciated:	6,886,425	422,007	(1,012,401)	6,296,031
Capital Assets being Depreciated:				
Buildings and Improvements	50,125,856	55,434	1,012,401	51,193,691
Machinery and Equipment	<u>1,349,126</u>	<u>86,498</u>	<u>(650)</u>	<u>1,434,974</u>
Total Capital Assets, being Depreciated	51,474,982	141,932	1,011,751	52,628,665
Less Accumulated Depreciation for:				
Buildings and Improvements	(26,809,048)	(1,241,227)	-	(28,050,275)
Machinery and Equipment	<u>(1,147,550)</u>	<u>(59,932)</u>	<u>650</u>	<u>(1,206,832)</u>
Total Accumulated Depreciation	<u>(27,956,598)</u>	<u>(1,301,159)</u>	<u>650</u>	<u>(29,257,107)</u>
Total Component Unit				
Capital Assets, net	\$ <u>30,404,809</u>	\$ <u>(737,220)</u>	\$ <u>-</u>	\$ <u>29,667,589</u>
Total Capital Assets	\$ <u>372,390,285</u>	\$ <u>28,119,594</u>	\$ <u>(4,183,482)</u>	\$ <u>396,326,397</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 - CAPITAL ASSETS – continued

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

Governmental Activities:

General Government	\$ 1,147,990
Public Safety	1,045,443
Public Works	5,473,371
Culture and Recreation	<u>1,626,997</u>

Total Depreciation Expense - Governmental Activities	\$ <u>9,293,801</u>
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Business-Type Activities:

Electric Department	\$ 1,948,389
Water and Sewer	4,233,201
Northeast Mississippi Regional Water Supply District	33,714
Solid Waste	<u>1,224,152</u>

Total Depreciation Expense - Business-Type Activities	\$ <u>7,439,456</u>
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Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,301,159</u>
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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 2020, the City issued special obligation bonds, series 2020, in the amount of \$10,000,000. The purpose of this bond issue is to provide funds for park improvements, sidewalks, and drainage.

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, 2020

NOTE 6 - LONG-TERM DEBT – continued

NOTES PAYABLE AND STATE REVOLVING LOANS

Fifteen different capital improvement revolving loans make up the September 30, 2020 notes payable balance and are included in both governmental activities and business-type activities. Fourteen of the loans are in repayment status with a total outstanding balance of \$43,045,756. The remaining in progress note totals \$2,160,522.

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.

CHANGES IN LONG-TERM LIABILITIES

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

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Governmental Activities:						
General Obligation	Debt Service	\$51,219,078	\$ -	\$ 5,881,613	\$45,337,465	\$3,776,935
Special Assessment						
General Obligation	Debt Service	35,000	-	35,000	-	-
Limited Obligations						
Tax Increment	Debt Service	270,000	-	50,000	220,000	50,000
Special Obligation Bonds	Debt Service	15,000,000	10,000,000	-	25,000,000	-
Notes Payable	General	5,590,500	1,500,000	441,299	6,649,201	480,924
Bond Premiums		<u>3,595,499</u>	<u>2,264,561</u>	<u>274,066</u>	<u>5,585,994</u>	<u>-</u>
Total Governmental Activities		<u>\$75,710,077</u>	<u>\$13,764,561</u>	<u>\$ 6,681,978</u>	<u>\$82,792,660</u>	<u>\$4,307,859</u>

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
General Obligation	Water/Sewer	\$ 470,922	\$ -	\$ 148,387	\$ 322,535	\$ 158,065
Special Obligation Bonds	Water/Sewer	8,500,000	-	465,000	8,035,000	475,000
Special Obligation Bonds	Electric*	5,460,000	-	300,000	5,160,000	305,000
Notes Payable	Water/Sewer	37,537,998	3,836,320	2,817,241	38,557,077	2,979,578
State Revolving Loan	NEMSRWSD	386,895	-	170,812	216,083	156,661
Bond Premiums		<u>1,502,396</u>	<u>-</u>	<u>123,995</u>	<u>1,378,401</u>	<u>-</u>
Total Business-Type Activities		<u>\$53,858,211</u>	<u>\$ 3,836,320</u>	<u>\$ 4,025,435</u>	<u>\$53,669,096</u>	<u>\$4,074,304</u>

*Amounts for Electric Fund are at June 30, 2020.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 - LONG-TERM DEBT – continued

DEBT SERVICE REQUIREMENTS TO MATURITY

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	General Obligation	Limited Obligations Tax Increment	Special Obligation	Notes Payable	Interest	Total
2021	\$ 3,776,935	\$ 50,000	\$ -	\$ 480,924	\$ 2,325,135	\$ 6,632,994
2022	3,985,484	55,000	-	494,498	2,892,368	7,427,350
2023	2,605,000	55,000	-	508,457	2,763,964	5,932,421
2024	3,005,000	60,000	305,000	522,811	2,337,603	6,230,414
2025	3,420,046	-	620,000	659,563	2,565,189	7,264,798
2026-2030	14,585,000	-	3,960,000	2,276,710	10,939,637	31,761,347
2031-2035	10,585,000	-	5,775,000	1,283,880	6,783,724	24,427,604
2036-2040	3,375,000	-	7,115,000	422,358	2,759,557	13,671,915
2041-2045	-	-	3,640,000	-	1,334,674	4,974,674
2046-2050	-	-	<u>3,585,000</u>	-	<u>397,500</u>	<u>3,982,500</u>
Total	<u>\$45,337,465</u>	<u>\$ 220,000</u>	<u>\$25,000,000</u>	<u>\$ 6,649,201</u>	<u>\$35,099,351</u>	<u>\$ 112,306,017</u>

Business-Type Activities

Year Ending September 30,	General Obligation	Special Obligation	Notes Payable	State Revolving Loans	Interest	Total
2021	\$ 158,065	\$ 780,000	\$ 2,979,578	\$ 156,661	\$ 1,267,027	\$ 5,341,331
2022	164,470	805,000	3,034,563	59,422	1,177,212	5,240,667
2023	-	830,000	3,090,597	-	1,088,206	5,008,803
2024	-	855,000	3,147,703	-	1,006,200	5,008,903
2025	-	900,000	3,179,741	-	905,381	4,985,122
2026-2030	-	5,225,000	10,433,158	-	3,104,804	18,762,962
2031-2035	-	3,800,000	7,649,390	-	1,002,816	12,452,206
2036-2040	-	-	<u>2,881,825</u>	-	<u>80,974</u>	<u>2,962,799</u>
Total	<u>\$ 322,535</u>	<u>\$13,195,000</u>	<u>\$36,396,555</u>	<u>\$ 216,083</u>	<u>\$ 9,632,620</u>	<u>\$59,762,793</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 with the proceeds of the Special Sales Tax. The District is required to make monthly deposits of interest and principal with a corporate trustee. The District reflects payments of interest as interest expense and the payment of principal on the refunding bonds as a reduction in Due to City of Tupelo Water G.O. Bonds Fund. One-half of the outstanding Series 2019 refunding bonds are shown as Due to City of Tupelo G.O. Bonds Fund, current and long-term portions.

Scheduled Payments are as follows:

Year Ending September 30,	Principal	Interest	Total
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	213,750	99,115	312,865
2026 - 2030	1,237,917	358,290	1,596,207
2031 - 2034	962,917	91,449	1,054,366
	<u>\$ 3,210,000</u>	<u>\$ 1,026,329</u>	<u>\$ 4,236,329</u>

STATE REVOLVING LOANS

Northeast Mississippi Regional Water Supply District has incurred long-term debt with the Drinking Water Systems Improvements Revolving Loan Fund as administered by the Mississippi Department of Health and the Mississippi Department of Environmental Quality in conjunction with 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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020:

<u>Year Ending September 30,</u>	
2021	\$ 365,800
2022	366,191
2023	353,385
2024	354,885
2025	356,404
2026 - 2030	1,705,474
2031 - 2035	<u>400,176</u>
Total Minimum Future Rentals	\$ <u>3,902,315</u>

NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$171,896 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, 2020 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,250,000	\$ -
Proprietary Funds:		
Electric Fund	1,128	4,658
Water and Sewer Fund	-	2,251,128
Solid Waste Management Fund	<u>4,658</u>	<u>-</u>
Total	\$ <u>2,255,786</u>	\$ <u>2,355,786</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 10 - NONCURRENT ASSETS

The following receivable at September 30, 2020 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>71,421</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, 2020

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, 2019 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	107,844
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,386
Inactive Members Assumed Not to Receive Service Retirement Benefits	57,631
Active Members	150,651
Total	<u>332,512</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020). 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, 2020, the City of Tupelo's total payroll for all employees was \$17,933,950. Total covered payroll was \$17,694,218.

For the year ended September 30, 2020, the Coliseum Project Fund's total payroll for all employees was \$1,003,605. Total covered payroll was \$801,408.

For the year ended September 30, 2020, the Water District's total payroll for all employees was \$65,951. Total covered payroll was also \$65,951.

For the year ended September 30, 2020, the Tupelo Airport Authority's total payroll for all employees was \$381,453. Total covered payroll was \$357,046.

For the year ended September 30, 2020, the Water and Sewer Fund's total payroll for all employees was \$1,425,612. Total covered payroll was \$1,409,609.

For the year ended June 30, 2020, the Electric Fund's total payroll for all employees was \$2,200,452. Total covered payroll was \$2,118,167.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2020, the City of Tupelo reported a liability of \$51,091,459 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 \$2,484,126 for its proportionate share. The Water District reported \$193,588, the Tupelo Airport Authority reported \$1,030,084, and the Water and Sewer Fund reported \$4,279,380. The Electric Fund as of June 30, 2020 reported a liability of \$5,766,823 for its proportionate share of the net pension liability.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The net pension liability was measured as of June 30, 2020, 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, 2020, the City of Tupelo's proportion was 0.26392 percent. At June 30, 2020, the proportionate share for the Coliseum Project Fund was 0.01283 percent. At June 30, 2020, the proportionate share for the Water District was 0.0010 percent. At June 30, 2020, the proportionate share for the Tupelo Airport Authority was 0.00532 percent. At June 30, 2020, the proportionate share for the Water and Sewer Fund was 0.02211 percent.

For the Electric Fund, 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. At June 30, 2019, the Electric Fund's proportion was 0.03278 percent.

For the year ended September 30, 2020, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$2,802,009. At September 30, 2020, 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	\$ 443,480	\$ -
Net Difference Between Projected and Actual Investment Earnings	2,098,642	-
City Pension Contributions Subsequent to the Measurement Date	795,476	-
Changes of Assumptions	285,807	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	3,142,378
Total	\$ <u>3,623,405</u>	\$ <u>3,142,378</u>

The \$795,476 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. 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
2021	\$ (1,709,129)
2022	(166,102)
2023	806,905
2024	753,877
Total	\$ <u>(314,449)</u>

For the year ended September 30, 2020, the Coliseum Project Fund recognized pension expense of \$133,400. At September 30, 2020, the Coliseum Project 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, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 21,563	\$ -
Net Difference Between Projected and Actual Investment Earnings	102,038	-
Coliseum Pension Contributions Subsequent to the Measurement Date	28,202	-
Changes of Assumptions	13,896	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	18,365	251,624
Total	\$ <u>184,064</u>	\$ <u>251,624</u>

The \$28,202 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, 2021. 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
2021	\$ (72,461)
2022	(50,254)
2023	(9,702)
2024	36,655
Total	\$ <u>(95,762)</u>

For the year ended September 30, 2020, the Water District recognized pension expense of \$16,656. At September 30, 2020, 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	\$ 1,680	\$ -
Net Difference Between Projected and Actual Investment Earnings	7,951	-
Water District Pension Contributions Subsequent to the Measurement Date	2,890	-
Changes of Assumptions	1,083	
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	1,071	297
Total	\$ <u>14,675</u>	\$ <u>297</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$2,890 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, 2021. 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
2021	\$ 867
2022	4,023
2023	4,036
2024	2,562
Total	\$ <u>11,488</u>

For the year ended September 30, 2020, the Tupelo Airport Authority recognized pension expense of \$29,440. At September 30, 2020, 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	\$ 8,941	\$ -
Net Difference Between Projected and Actual Investment Earnings	42,313	-
TAA's Pension Contributions Subsequent to the Measurement Date	14,310	-
Changes of Assumptions	5,762	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	18,061
Total	\$ <u>71,326</u>	\$ <u>18,061</u>

The \$14,310 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, 2021. 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
2021	\$ (9,305)
2022	16,598
2023	18,028
2024	13,634
Total	\$ <u>38,955</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

For the year ended September 30, 2020, the Water and Sewer Fund recognized pension expense of \$174,703. At September 30, 2020, 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	\$ 37,146	\$ -
Net Difference Between Projected and Actual Investment Earnings	175,780	-
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	66,747	-
Changes of Assumptions	23,939	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	431,579
Total	\$ <u>303,612</u>	\$ <u>431,579</u>

The \$66,747 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, 2021. 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
2021	\$ (208,903)
2022	(71,603)
2023	22,648
2024	63,144
Total	\$ <u>(194,714)</u>

For the year ended June 30, 2020, the Electric Fund recognized pension expense of \$349,190. At June 30, 2020, 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, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,412	\$ 6,207
Net Difference Between Projected and Actual Investment Earnings	-	63,092
Electric Fund's Pension Contributions Subsequent to the Measurement Date	368,561	-
Changes of Assumptions	56,538	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	364,878
Total	\$ <u>428,511</u>	\$ <u>434,177</u>

The \$368,561 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, 2021. 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
2021	\$ (127,617)
2022	(218,561)
2023	(54,377)
2024	26,328
Total	\$ <u>(374,227)</u>

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

Inflation	2.75%
Salary increases	3.00 - 18.25%, 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	2.75%
Salary increases	3.00 - 18.25%, 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, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Mortality rates were based on 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. Mortality rates are projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

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 most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class 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	
Fixed Income	20.00		.50	
Real Estate	10.00		4.00	
Private Equity	8.00		6.25	
Cash	1.00		0.00	
Total	100.00			

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). 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, 2020

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, 2020 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%	\$ 66,131,614
Current Discount Rate	7.75%	51,091,459
1% Increase	8.75%	38,677,286

	Discount Rate	Coliseum Project Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 3,215,396
Current Discount Rate	7.75%	2,484,126
1% Increase	8.75%	1,880,535

	Discount Rate	Northeast MS Regional Water District's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 250,576
Current Discount Rate	7.75%	193,588
1% Increase	8.75%	146,550

	Discount Rate	Tupelo Airport Authority's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 1,333,317
Current Discount Rate	7.75%	1,030,084
1% Increase	8.75%	779,795

	Discount Rate	Water and Sewer Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 5,539,131
Current Discount Rate	7.75%	4,279,380
1% Increase	8.75%	3,239,578

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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%	\$ 7,179,315
Current Discount Rate	7.75%	5,766,823
1% Increase	8.75%	4,112,594

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	\$ 4,558,031	\$ 794,932
Special Revenue Funds:		
CVB Fund	1,673,844	-
Coliseum Project Fund	1,711,526	2,215,120
Coliseum Operating Fund	-	393,976
Narcotics Fund	49,100	-
Transportation Fund	-	160,000
Debt Service Funds:		
City Bond and Interest Fund	-	2,086,216
Special Obligation Debt Service Fund		-
Capital Projects Funds:		
City Infrastructure Fund	674,917	3,017,174
Special Obligation Capital Fund	-	-
Total	<u>\$ 8,667,418</u>	<u>\$ 8,667,418</u>
	<u>Transfers to</u>	<u>Transfers from</u>
	<u>Blended</u>	<u>Blended</u>
	<u>Component</u>	<u>Component</u>
	<u>Unit</u>	<u>Unit</u>
Debt Service Fund:		
Water G.O. Bond Fund	\$ 3,942,571	\$ 293,245
Enterprise Fund:		
Water and Sewer Fund	<u>1,191,203</u>	<u>-</u>
Total	<u>\$ 5,133,774</u>	<u>\$ 293,245</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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	\$ 293,245
Transfers to Water District reported as Water Sales by Water District	(1,191,203)
Transfer to Water District reported as Contributed Capital by Water District	<u>(3,942,571)</u>
Difference	<u>\$ (4,840,529)</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, 2020, 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>6,169,507</u>	\$ <u>6,169,507</u>
Total Investments				\$ <u>6,169,507</u>	\$ <u>6,169,507</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, 2020, 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, 2020, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2020, for the Electric Fund and has been reflected in these financial statements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 6. 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, 2020

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, 2020 was \$1,191,203.

NOTE 20 - 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 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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 21 - 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 22 - ECONOMIC DEPENDENCY

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2020 (its year-end) of \$5,496,558. This represented approximately 10.5% of the Department's revenues for the year.

NOTE 23 - 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 at least reasonably possible that the significant estimate used will change within the next year.

NOTE 24 - 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, 2020

NOTE 24 - BUDGET / GAAP RECONCILIATION – continued

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

	Governmental Fund Types		
	General Fund	City Infrastructure Fund	Special Obligation Capital Fund
Budget (Cash Basis)	\$ 1,978,544	\$ 6,696,968	\$ (10,502,508)
Increase (Decrease) Net adjustments for revenue accruals	<u>172,380</u>	<u>-</u>	<u>-</u>
GAAP Basis	\$ <u>2,150,924</u>	\$ <u>6,696,968</u>	\$ <u>(10,502,508)</u>

NOTE 25 - CONSTRUCTION AND OTHER COMMITMENTS

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2020</u>	<u>Remaining Commitment at September 30, 2020</u>
General City:	Underground Utilities	\$ 919,233	\$ 580,464	\$ 338,769
	Fair Park Dev. Phase 4	1,635,640	266,870	1,368,770
	Turf Improvements	2,237,467	2,117,579	119,888
	Underground Utilities	<u>17,372,562</u>	<u>12,185,248</u>	<u>5,187,314</u>
		\$ <u>22,164,902</u>	\$ <u>15,150,161</u>	\$ <u>7,014,741</u>

NOTE 26 - 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, 2020

NOTE 27 - 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 sixty-one tax abatement agreements with eighteen entities as of September 30, 2020.

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 entities had tax abatements listed under the above listed statutes.

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$411,081

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 28 - PRIOR PERIOD ADJUSTMENT

The prior year Special Obligation Capital Fund included \$379,000 as investments instead of bond issue costs. The prior year Urban Renewal Bond Fund included a receivable of \$220,025 that had previously been collected in another debt service fund. The beginning fund balance and net position have been decreased and restated in the Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities, respectively, to correct these misclassifications.

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 25, 2021, (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.

A Water Pollution Control Revolving Loan Fund (WPCRLF) loan for \$2,495,798 was approved for water system improvements. The City awarded bids for various capital improvements in the amount of \$12,137,794.

Date of Management Evaluation

Management has evaluated subsequent events through March 25, 2021, 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 six years ended September 30, 2020*

	2020	2019	2018	2017	2016	2015
City of Tupelo's proportion of net pension liability (%)	0.26392 %	0.25816 %	0.26055 %	0.25163 %	0.24688 %	0.24395 %
City of Tupelo's proportionate share of net pension liability	\$ 51,091,459	\$ 45,415,438	\$ 43,336,374	\$ 41,829,447	\$ 44,099,290	\$ 37,934,001
City of Tupelo's covered payroll	\$ 17,694,218	\$ 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 (%)	288.75 %	271.29 %	260.46 %	259.13 %	273.57 %	246.52 %
Coliseum Project Fund's proportion of net pension liability (%)	0.01283 %	0.01410 %	0.01339 %	0.01201 %	0.01180 %	0.01220 %
Coliseum Project Fund's proportionate share of net pension liability	\$ 2,484,126	\$ 2,480,116	\$ 2,225,540	\$ 1,996,802	\$ 2,114,562	\$ 1,885,789
Coliseum Project Fund's covered payroll	\$ 801,408	\$ 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 (%)	309.97 %	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 %	0.00100 %
Water District's proportionate share of net pension liability	\$ 193,588	\$ 175,916	\$ 166,326	\$ 166,232	\$ 178,624	\$ 154,580
Water District's covered payroll	\$ 65,951	\$ 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 (%)	293.53 %	274.99 %	268.54 %	275.62 %	304.94 %	270.25 %
TAA's proportion of net pension liability (%)	0.00532 %	0.00557 %	0.00539 %	0.00565 %	0.00458 %	0.00528 %
TAA's proportionate share of net pension liability	\$ 1,030,084	\$ 979,345	\$ 895,685	\$ 938,557	\$ 818,460	\$ 815,566
TAA's covered payroll	\$ 357,046	\$ 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 (%)	288.50 %	272.68 %	256.80 %	273.59 %	264.75 %	259.23 %
Water and Sewer Fund's proportion of net pension liability (%)	0.02211 %	0.02278 %	0.02268 %	0.02203 %	0.02119 %	0.02120 %
Water and Sewer Fund's proportionate share of net pension liability	\$ 4,279,380	\$ 4,007,453	\$ 3,770,794	\$ 3,662,767	\$ 3,784,849	\$ 3,273,406
Water and Sewer Fund's covered payroll	\$ 1,409,609	\$ 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 (%)	303.59 %	273.95 %	260.31 %	259.13 %	273.15 %	245.66 %
**Electric Fund's proportion of net pension liability (%)	0.03278 %	0.03264 %	0.03171 %	0.03049 %	0.03047 %	0.03201 %
Electric Fund's proportionate share of net pension liability	\$ 5,766,823	\$ 5,429,391	\$ 5,270,811	\$ 5,446,490	\$ 4,560,118	\$ 3,580,761
Electric Fund's covered payroll	\$ 2,118,167	\$ 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 (%)	272.26 %	257.93 %	255.22 %	262.60 %	231.74 %	188.09 %
Plan fiduciary net position as a percentage of total pension liability	58.97 %	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, 2020.

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 seven years ended September 30, 2020*

	2020	2019	2018	2017	2016	2015	2014
City of Tupelo							
Statutorily required contributions	\$ 3,078,794	\$ 2,710,110	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Actual contributions	\$ 3,078,794	\$ 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	\$ 17,694,218	\$ 16,740,741	\$ 16,638,298	\$ 16,142,216	\$ 16,119,683	\$ 15,387,575	\$ 15,093,663
Contributions as a % of covered payroll	17.40 %	16.19 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Coliseum Project Fund							
Statutorily required contributions	\$ 139,445	\$ 143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Actual contributions	\$ 139,445	\$ 143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coliseum's covered payroll	\$ 801,408	\$ 890,265	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435	\$ 777,162
Contributions as a % of covered payroll	17.40 %	16.15 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water District							
Statutorily required contributions	\$ 11,475	\$ 10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Actual contributions	\$ 11,475	\$ 10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water District's covered payroll	\$ 65,951	\$ 63,973	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200	\$ 56,610
Contributions as a % of covered payroll	17.40 %	16.17 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Tupelo Airport Authority							
Statutorily required contributions	\$ 62,126	\$ 57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Actual contributions	\$ 62,126	\$ 57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tupelo Airport Authority's covered payroll	\$ 357,046	\$ 359,150	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616	\$ 344,133
Contributions as a % of covered payroll	17.40 %	16.12 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water and Sewer Fund							
Statutorily required contributions	\$ 256,400	\$ 236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Actual contributions	\$ 256,400	\$ 236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer Fund's covered payroll	\$ 1,409,609	\$ 1,462,847	\$ 1,448,571	\$ 1,413,467	\$ 1,385,638	\$ 1,332,493	\$ 1,356,775
Contributions as a % of covered payroll	17.40 %	16.18 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Electric Fund*							
Statutorily required contributions	\$ 368,561	\$ 331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Actual contributions	\$ 368,561	\$ 331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Department's covered payroll	\$ 2,118,167	\$ 2,104,997	\$ 2,065,238	\$ 2,074,070	\$ 1,967,778	\$ 1,903,784	\$ 1,956,483
Contributions as a % of covered payroll	17.40 %	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, 2020.

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, 2020

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, 2020

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, 2020

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 7,675,191	\$ 6,468,061	\$ 1,251,678	\$ 15,394,930
Investments	-	-	6,149,504	6,149,504
General Property Taxes Receivable	46,137	178,824	124,283	349,244
Other Receivable	99,803	-	-	99,803
Notes Receivable	71,421	-	-	71,421
Due from Other Government Units	355,602	-	-	355,602
Inventories	57,746	-	-	57,746
Prepaid Expenses	109,090	-	-	109,090
TOTAL ASSETS	\$ 8,414,990	\$ 6,646,885	\$ 7,525,465	\$ 22,587,340
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 228,714	\$ 173,854	\$ 2,250	\$ 404,818
Accrued Expenses	13,824	-	-	13,824
Unearned Revenues	532,068	-	-	532,068
Event Deposits	43,692	-	-	43,692
TOTAL LIABILITIES	818,298	173,854	2,250	994,402
<u>FUND BALANCES:</u>				
Nonspendable				
Prepaid Expenses	109,090	-	-	109,090
Inventory	57,746	-	-	57,746
Restricted for				
Library	88,596	-	-	88,596
Tourism Promotion	4,543,828	-	-	4,543,828
Public Safety Retirement	28,844	-	-	28,844
Law Enforcement	1,431,932	-	-	1,431,932
Construction Acquisition of Capital Assets	-	5,456,943	-	5,456,943
Public Safety Equipment	-	254,470	-	254,470
Debt Service	-	-	7,523,215	7,523,215
Committed to				
Rental Rehabilitation	72,444	-	-	72,444
Fairpark Infrastructure	-	604,932	-	604,932
Construction Acquisition of Capital Assets	-	156,686	-	156,686
Assigned to				
Coliseum Projects	703,743	-	-	703,743
Coliseum Operations	548,596	-	-	548,596
Transportation	11,873	-	-	11,873
TOTAL FUND BALANCES	7,596,692	6,473,031	7,523,215	21,592,938
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,414,990	\$ 6,646,885	\$ 7,525,465	\$ 22,587,340

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2020

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,314,162	\$ 5,093,347	\$ 3,775,405	\$ 10,182,914
Intergovernmental Revenues	5,060,960	360,140	3,772,303	9,193,403
Fines and Forfeitures	111,211	-	-	111,211
Charges for Services	2,005,589	-	-	2,005,589
Miscellaneous Revenues	1,496,555	807,822	70,746	2,375,123
TOTAL REVENUES	9,988,477	6,261,309	7,618,454	23,868,240
EXPENDITURES:				
Current:				
Public Safety	1,032,342	-	-	1,032,342
Culture and Recreation	3,508,959	-	-	3,508,959
Other Functions	2,689,218	-	-	2,689,218
Capital Projects	-	6,463,451	-	6,463,451
Debt Service	-	-	8,191,213	8,191,213
TOTAL EXPENDITURES	7,230,519	6,463,451	8,191,213	21,885,183
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,757,958	(202,142)	(572,759)	1,983,057
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,769,096	-	2,086,216	4,855,312
Transfers to Other Funds	(3,434,470)	-	-	(3,434,470)
Transfer from Northeast MS Regional Water Supply District	-	-	293,245	293,245
Transfer to Northeast MS Regional Water Supply District	-	-	(3,942,571)	(3,942,571)
TOTAL OTHER FINANCING SOURCES (USES)	(665,374)	-	(1,563,110)	(2,228,484)
NET CHANGE IN FUND BALANCES	2,092,584	(202,142)	(2,135,869)	(245,427)
FUND BALANCES - Beginning, as Previously Stated	5,504,108	6,675,173	9,879,109	22,058,390
Prior Period Adjustment	-	-	(220,025)	(220,025)
FUND BALANCES - Beginning, as Restated	5,504,108	6,675,173	9,659,084	21,838,365
FUND BALANCES - Ending	\$ 7,596,692	\$ 6,473,031	\$ 7,523,215	\$ 21,592,938

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2020
With Comparative Totals for September 30, 2019

	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	
									9/30/2020	9/30/2019
ASSETS										
Cash	\$ 71,250	\$ 4,349,781	\$ 53	\$ 703,743	\$ 1,023	\$ 1,068,713	\$ 1,442,762	\$ 37,866	\$ 7,675,191	\$ 5,653,944
Receivables:										
Notes	-	-	-	-	71,421	-	-	-	71,421	81,460
Other	-	4,149	-	-	-	95,654	-	-	99,803	343,199
General Property Taxes	17,346	-	28,791	-	-	-	-	-	46,137	53,194
Due from Other										
Governmental Units	-	355,602	-	-	-	-	-	-	355,602	408,612
Inventories	-	-	-	-	-	57,746	-	-	57,746	23,450
Prepaid Expenses	-	-	-	-	-	109,090	-	-	109,090	39,800
TOTAL ASSETS	\$ 88,596	\$ 4,709,532	\$ 28,844	\$ 703,743	\$ 72,444	\$ 1,331,203	\$ 1,442,762	\$ 37,866	\$ 8,414,990	\$ 6,603,659
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 165,704	\$ -	\$ -	\$ -	\$ 26,187	\$ 10,830	\$ 25,993	\$ 228,714	\$ 226,076
Accrued Expenses	-	-	-	-	-	13,824	-	-	13,824	824,065
Unearned Revenues	-	-	-	-	-	532,068	-	-	532,068	24,313
Event Deposits	-	-	-	-	-	43,692	-	-	43,692	25,097
Total Liabilities	-	165,704	-	-	-	615,771	10,830	25,993	818,298	1,099,551
Fund Balances:										
Nonspendable										
Prepaid Expenses	-	-	-	-	-	109,090	-	-	109,090	39,800
Inventory	-	-	-	-	-	57,746	-	-	57,746	23,450
Restricted for										
Library	88,596	-	-	-	-	-	-	-	88,596	77,340
Tourism Promotion	-	4,543,828	-	-	-	-	-	-	4,543,828	3,176,675
Public Safety Retirement	-	-	28,844	-	-	-	-	-	28,844	45,368
Law Enforcement	-	-	-	-	-	-	1,431,932	-	1,431,932	1,390,536
Committed to										
Rental Rehabilitation	-	-	-	-	72,444	-	-	-	72,444	82,480
Assigned to										
Coliseum Projects	-	-	-	703,743	-	-	-	-	703,743	186,532
Coliseum Operations	-	-	-	-	-	548,596	-	-	548,596	474,416
Transportation	-	-	-	-	-	-	-	11,873	11,873	7,511
Total Fund Balances	88,596	4,543,828	28,844	703,743	72,444	715,432	1,431,932	11,873	7,596,692	5,504,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 88,596	\$ 4,709,532	\$ 28,844	\$ 703,743	\$ 72,444	\$ 1,331,203	\$ 1,442,762	\$ 37,866	\$ 8,414,990	\$ 6,603,659

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019

	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	
									9/30/2020	9/30/2019
REVENUES										
Taxes:										
General Property Taxes	\$ 494,085	\$ -	\$ 820,077	\$ -	\$ -	\$ -	\$ -	\$ -	1,314,162	1,273,998
Intergovernmental Revenues:										
State Shared Revenues	18,613	4,312,224	30,894	-	-	-	-	-	4,361,731	5,204,100
Federal Grants		699,229							699,229	-
Fines and Forfeitures	-	-	-	-	-	-	111,211	-	111,211	60,432
Charges for Sales and Services:										
Commissions	-	-	-	-	-	24,451	-	-	24,451	51,843
Concessions & Other Sales	-	-	-	-	-	426,262	-	-	426,262	611,242
Direct Show Revenue	-	-	-	-	-	28,946	-	-	28,946	57,255
Parking	-	-	-	-	-	-	-	-	-	2,331
Service Charge	-	-	-	-	-	275,533	-	-	275,533	414,087
Rental Revenue	-	-	-	-	-	1,041,325	-	-	1,041,325	1,800,977
Personnel Service Fees	-	-	-	-	-	209,072	-	-	209,072	333,253
Miscellaneous Revenues:										
Interest	1,462	42,383	2,814	13,617	14	22,930	21,894	318	105,432	105,183
Advertising Agency Fee	-	-	-	-	-	952,741	-	-	952,741	480,838
Donations	-	-	-	-	-	-	-	-	-	1,000
Other	-	7,469	-	-	-	311,489	119,424	-	438,382	364,898
TOTAL REVENUES	<u>514,160</u>	<u>5,061,305</u>	<u>853,785</u>	<u>13,617</u>	<u>14</u>	<u>3,292,749</u>	<u>252,529</u>	<u>318</u>	<u>9,988,477</u>	<u>10,761,437</u>

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

Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019
-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	
									9/30/2020	9/30/2019
EXPENDITURES										
Public Safety:										
Police Department:										
Personnel Services	\$ -	\$ -	\$ 609,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,216	\$ 573,296
Supplies	-	-	-	-	-	-	13,791	-	13,791	29,597
Other Services and Charges	-	-	-	-	-	-	123,772	-	123,772	163,244
Capital Outlay	-	-	-	-	-	-	24,470	-	24,470	273,571
Fire Department:										
Personnel Services	-	-	261,093	-	-	-	-	-	261,093	245,698
Total Public Safety	-	-	870,309	-	-	-	162,033	-	1,032,342	1,285,406
Culture and Recreation:										
Tupelo Coliseum:										
Personnel Services	-	-	-	-	-	1,336,656	-	-	1,336,656	1,627,207
Supplies	-	-	-	-	-	329,986	-	-	329,986	392,286
Other Services and Charges	-	-	-	-	-	1,646,838	-	-	1,646,838	2,554,966
Capital Outlay	-	-	-	-	-	195,479	-	-	195,479	389,368
Total Culture and Recreation	-	-	-	-	-	3,508,959	-	-	3,508,959	4,963,827

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019
-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	
									9/30/2020	9/30/2019
EXPENDITURES										
- Continued										
Other Functions:										
Community Services:										
Personnel Services	\$ -	\$ 623,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	623,245	704,138
Supplies	-	9,757	-	-	-	-	-	-	9,757	15,531
Other Services and Charges	502,904	1,376,720	-	-	10,050	-	-	155,956	2,045,630	2,404,127
Capital Outlay	-	10,586	-	-	-	-	-	-	10,586	33,911
Total Other Functions	502,904	2,020,308	-	-	10,050	-	-	155,956	2,689,218	3,157,707
TOTAL EXPENDITURES	502,904	2,020,308	870,309	-	10,050	3,508,959	162,033	155,956	7,230,519	9,406,940
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	11,256	3,040,997	(16,524)	13,617	(10,036)	(216,210)	90,496	(155,638)	2,757,958	1,354,497

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019
-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	
									9/30/2020	9/30/2019
OTHER FINANCING SOURCES (USES)										
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 2,215,120	\$ -	\$ 393,976	\$ -	\$ 160,000	\$ 2,769,096	\$ 2,574,942
Transfers to Other Funds	-	(1,673,844)	-	(1,711,526)	-	-	(49,100)	-	(3,434,470)	(5,513,361)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,673,844)	-	503,594	-	393,976	(49,100)	160,000	(665,374)	(2,938,419)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	11,256	1,367,153	(16,524)	517,211	(10,036)	177,766	41,396	4,362	2,092,584	(1,583,922)
FUND BALANCES - Beginning of Year	77,340	3,176,675	45,368	186,532	82,480	537,666	1,390,536	7,511	5,504,108	7,088,030
FUND BALANCES - End of Year	\$ 88,596	\$ 4,543,828	\$ 28,844	\$ 703,743	\$ 72,444	\$ 715,432	\$ 1,431,932	\$ 11,873	\$ 7,596,692	\$ 5,504,108

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2020
With Comparative Totals for September 30, 2019

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2020	9/30/2019
ASSETS					
Cash	\$ 411,156	\$ 604,932	\$ 5,451,973	\$ 6,468,061	\$ 6,579,448
Receivables:					
General Property Taxes	-	-	178,824	178,824	206,182
TOTAL ASSETS	<u>\$ 411,156</u>	<u>\$ 604,932</u>	<u>5,630,797</u>	<u>\$ 6,646,885</u>	<u>\$ 6,785,630</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 173,854	\$ 173,854	\$ 110,457
Total Liabilities	-	-	173,854	173,854	110,457
Fund Balances:					
Restricted for					
Construction Acquisition of Capital Assets	-	-	5,456,943	5,456,943	6,252,771
Public Safety Equipment	254,470	-	-	254,470	190,199
Committed to					
Fairpark Infrastructure	-	604,932	-	604,932	75,517
Construction Acquisition of Capital Assets	156,686	-	-	156,686	156,686
Total Fund Balances	411,156	604,932	5,456,943	6,473,031	6,675,173
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 411,156</u>	<u>\$ 604,932</u>	<u>\$ 5,630,797</u>	<u>\$ 6,646,885</u>	<u>\$ 6,785,630</u>

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

Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2020	9/30/2019
REVENUES					
Taxes:					
General Property Taxes	\$ -	\$ -	\$ 5,093,347	\$ 5,093,347	\$ 4,937,962
Intergovernmental Revenues:					
Federal Shared Revenues	57,292	-	-	57,292	-
State Shared Revenues	48,166	-	191,889	240,055	242,967
Federal Grants	-	18,296	44,497	62,793	51,278
Miscellaneous Revenues:					
Interest	5,408	4,234	90,437	100,079	92,649
Other	-	707,743	-	707,743	5,000
TOTAL REVENUES	<u>110,866</u>	<u>730,273</u>	<u>5,420,170</u>	<u>6,261,309</u>	<u>5,329,856</u>
EXPENDITURES					
Personnel Services	-	-	99,821	99,821	64,337
Other Services and Charges	-	50,000	727,018	777,018	1,395,721
Capital Outlay	46,595	150,858	5,389,159	5,586,612	2,162,911
TOTAL EXPENDITURES	<u>46,595</u>	<u>200,858</u>	<u>6,215,998</u>	<u>6,463,451</u>	<u>3,622,969</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>64,271</u>	<u>529,415</u>	<u>(795,828)</u>	<u>(202,142)</u>	<u>1,706,887</u>

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

Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	Thoroughfare Fund Phase VI	Totals	
				9/30/2020	9/30/2019
OTHER FINANCING SOURCES (USES)					
Proceeds from General Obligation					
Bonds or Debt Issued	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Other Funds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	64,271	529,415	(795,828)	(202,142)	1,706,887
FUND BALANCE					
Beginning of Year	346,885	75,517	6,252,771	6,675,173	4,968,286
FUND BALANCE					
End of Year	\$ 411,156	\$ 604,932	\$ 5,456,943	\$ 6,473,031	\$ 6,675,173

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2020
With Comparative Totals for September 30, 2019

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
							9/30/2020	9/30/2019
ASSETS								
Cash	\$ 350,217	\$ -	\$ 65,189	\$ 836,272	\$ -	\$ -	\$ 1,251,678	\$ 3,091,455
Investments	675,177	4,772,820	-	-	-	701,507	6,149,504	6,425,832
Receivables:								
General Property Taxes	124,283	-	-	-	-	-	124,283	143,297
Other	-	-	-	-	-	-	-	220,025
TOTAL ASSETS	\$ 1,149,677	\$ 4,772,820	\$ 65,189	\$ 836,272	\$ -	\$ 701,507	\$ 7,525,465	\$ 9,880,609
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 2,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 1,500
Total Liabilities	2,250	-	-	-	-	-	2,250	1,500
Fund Balances:								
Restricted for Debt Service	1,147,427	4,772,820	65,189	836,272	-	701,507	7,523,215	9,879,109
Total Fund Balances	1,147,427	4,772,820	65,189	836,272	-	701,507	7,523,215	9,879,109
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,149,677	\$ 4,772,820	\$ 65,189	\$ 836,272	\$ -	\$ 701,507	\$ 7,525,465	\$ 9,880,609

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
							9/30/2020	9/30/2019
REVENUES								
Taxes:								
General Property Taxes	\$ 3,539,583	\$ -	\$ 31,587	\$ 204,235	\$ -	\$ -	\$ 3,775,405	\$ 3,650,511
Intergovernmental Revenues:								
State Shared Revenues	133,363	3,638,940	-	-	-	-	3,772,303	3,838,482
Miscellaneous Revenues:								
Interest	11,490	35,836	1,087	10,305	-	11,528	70,246	162,062
Other	500	-	-	-	-	-	500	1,491,842
TOTAL REVENUES	<u>3,684,936</u>	<u>3,674,776</u>	<u>32,674</u>	<u>214,540</u>	<u>-</u>	<u>11,528</u>	<u>7,618,454</u>	<u>9,142,897</u>
EXPENDITURES								
Debt Service:								
General Obligations:								
Bonds Redeemed	5,541,613	340,000	-	50,000	-	-	5,931,613	4,676,613
Interest	1,238,144	281,372	-	12,150	-	-	1,531,666	1,902,096
Paying Agent Fees	18,702	12,433	-	850	-	-	31,985	26,946
Refunding Bond Issuance Costs	-	-	-	-	-	-	-	238,675
Special Assessment General Obligations:								
Bonds Redeemed	-	-	35,000	-	-	-	35,000	35,000
Interest	-	-	1,890	-	-	-	1,890	3,745
Paying Agent Fees	-	-	750	-	-	-	750	750
TOTAL EXPENDITURES	<u>6,798,459</u>	<u>633,805</u>	<u>37,640</u>	<u>63,000</u>	<u>-</u>	<u>658,309</u>	<u>8,191,213</u>	<u>6,883,825</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (3,113,523)</u>	<u>\$ 3,040,971</u>	<u>\$ (4,966)</u>	<u>\$ 151,540</u>	<u>\$ -</u>	<u>\$ (646,781)</u>	<u>\$ (572,759)</u>	<u>\$ 2,259,072</u>

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

Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019

-Continued-

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
							9/30/2020	9/30/2019
OTHER FINANCING SOURCES (USES):								
Proceeds from Refunding Bonds	-	-	-	-	-	-	-	6,385,000
Bond Premium Received	-	-	-	-	-	-	-	702,970
Debt Service - Principal on Refunding Bonds	-	-	-	-	-	-	-	(6,690,000)
Transfers from Other Funds	2,086,216	-	-	-	-	-	2,086,216	2,752,310
Transfer from Northeast MS								
Regional Water Supply District	-	293,245	-	-	-	-	293,245	278,583
Transfer to Northeast MS								
Regional Water Supply District	-	(3,942,571)	-	-	-	-	(3,942,571)	(8,236,397)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,086,216</u>	<u>(3,649,326)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,563,110)</u>	<u>(4,807,534)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(1,027,307)</u>	<u>(608,355)</u>	<u>(4,966)</u>	<u>151,540</u>	<u>-</u>	<u>(646,781)</u>	<u>(2,135,869)</u>	<u>(2,548,462)</u>
FUND BALANCES-								
Beginning of Year, as previously stated	2,174,734	5,381,175	70,155	684,732	220,025	1,348,288	9,879,109	12,427,571
Prior Period Adjustment	-				(220,025)		(220,025)	-
FUND BALANCES-								
Beginning of Year, as restated	<u>2,174,734</u>	<u>5,381,175</u>	<u>70,155</u>	<u>684,732</u>	<u>-</u>	<u>1,348,288</u>	<u>9,659,084</u>	<u>12,427,571</u>
FUND BALANCES-								
End of Year	<u>\$ 1,147,427</u>	<u>\$ 4,772,820</u>	<u>\$ 65,189</u>	<u>\$ 836,272</u>	<u>\$ -</u>	<u>\$ 701,507</u>	<u>\$ 7,523,215</u>	<u>\$ 9,879,109</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, 2020 and 2019

	9/30/20	9/30/19
ASSETS		
Cash	\$ 20,678,109	\$ 18,411,345
Receivables:		
General Property Taxes	255,680	303,401
Other	191,850	181,381
Due from Other Government Units	2,236,232	2,026,899
Due from Component Unit	43,056	42,757
Due from Other Funds	2,250,000	2,300,000
Prepaid Expenses	381,013	514,154
Inventories	<u>27,945</u>	<u>22,319</u>
TOTAL ASSETS	\$ <u>26,063,885</u>	\$ <u>23,802,256</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 316,812	\$ 201,863
Unearned Revenues	150,914	177,283
Accrued Expenses	<u>699,072</u>	<u>676,947</u>
Total Liabilities	<u>1,166,798</u>	<u>1,056,093</u>
Fund Balance:		
Nonspendable		
Prepaid Expenses	381,013	515,154
Inventory	27,945	22,319
Restricted for		
Home Grant	572,991	572,991
Water Reserve	570,141	562,555
Unassigned	<u>23,344,997</u>	<u>21,073,144</u>
Total Fund Balance	<u>24,897,087</u>	<u>22,746,163</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>26,063,885</u>	\$ <u>23,802,256</u>

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

For the Years Ended September 30, 2020 and 2019

	F.Y.E. 9/30/20	F.Y.E. 9/30/19
REVENUES		
Taxes:		
General Property Taxes	\$ 6,591,001	\$ 6,389,713
Payments in Lieu of Taxes	1,165,980	1,181,324
Penalties and Interest on Delinquent Taxes	72,525	74,091
Total Taxes	<u>7,829,506</u>	<u>7,645,128</u>
Licenses and Permits:		
Privilege License	321,864	328,251
Building Permits	403,534	278,913
Other Permits	13,346	15,822
Franchise Fees	390,178	404,294
Total Licenses and Permits	<u>1,128,922</u>	<u>1,027,280</u>
Intergovernmental Revenues:		
Federal Grants	370,089	620,358
State Grants	17,227	17,227
Other Grants	309,759	74,301
State Shared Revenues	22,633,578	22,198,239
Municipality Shared Revenues	3,400,000	3,200,000
County Shared Revenues	1,252,177	1,218,843
Total Intergovernmental Revenues	<u>27,982,830</u>	<u>27,328,968</u>
Charges for Services:		
Public Safety	114,908	172,284
Highways and Streets	19,978	10,800
Crime Lab Fees	39,944	62,265
Culture and Recreation Fees	205,934	448,823
Total Charges for Services	<u>380,764</u>	<u>694,172</u>
Fines and Forfeitures:		
Police Fines and Fees	588,531	658,650
Parking Fines and Fees	4,705	7,605
Total Fines and Forfeitures	<u>593,236</u>	<u>666,255</u>

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

For the Years Ended September 30, 2020 and 2019

-Continued-

	F.Y.E. 9/30/20	F.Y.E. 9/30/19
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 281,211	\$ 368,709
Donations	70,191	2,750
Rents	159,489	76,175
Billings to Other Departments	246,272	240,224
Other	246,276	880,948
	<u>1,003,439</u>	<u>1,568,806</u>
Total Miscellaneous Revenues	<u>1,003,439</u>	<u>1,568,806</u>
TOTAL REVENUES	<u>38,918,697</u>	<u>38,930,609</u>
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	267,920	258,390
Supplies	3,961	2,584
Other Services and Charges	180,063	183,132
	<u>451,944</u>	<u>444,106</u>
Total Legislative Department	<u>451,944</u>	<u>444,106</u>
Executive Department:		
Personnel Services	721,923	682,452
Supplies	15,104	14,522
Other Services and Charges	276,318	270,890
	<u>1,013,345</u>	<u>967,864</u>
Total Executive Department	<u>1,013,345</u>	<u>967,864</u>
City Court:		
Personnel Services	827,585	754,810
Supplies	19,570	18,632
Other Services and Charges	86,808	112,474
Capital Outlay	2,725	-
	<u>936,688</u>	<u>885,916</u>
Total City Court	<u>936,688</u>	<u>885,916</u>
Convention and Visitors Bureau Director:		
Personnel Services	141,431	-
	<u>141,431</u>	<u>-</u>
Total Convention and Visitors Bureau Director	<u>141,431</u>	<u>-</u>

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

For the Years Ended September 30, 2020 and 2019

-Continued-

	F.Y.E. 9/30/20	F.Y.E. 9/30/19
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 795,388	\$ 806,395
Supplies	54,464	29,604
Other Services and Charges	381,115	360,173
Capital Outlay	25,237	65,782
Total Budget and Accounting Department	<u>1,256,204</u>	<u>1,261,954</u>
Personnel Department:		
Personnel Services	165,047	229,292
Supplies	1,803	3,572
Other Services and Charges	21,838	24,030
Total Personnel Department	<u>188,688</u>	<u>256,894</u>
Planning Department:		
Personnel Services	1,206,281	1,243,397
Supplies	23,388	33,170
Other Services and Charges	61,595	70,275
Total Community Development Department	<u>1,291,264</u>	<u>1,346,842</u>
Total General Government	<u>5,279,564</u>	<u>5,163,576</u>
Public Safety:		
Police Department:		
Personnel Services	8,609,209	7,929,874
Supplies	520,881	560,083
Other Services and Charges	1,409,812	1,379,098
Capital Outlay	287,958	301,281
Total Police Department	<u>10,827,860</u>	<u>10,170,336</u>
Fire Department:		
Personnel Services	5,823,509	5,481,156
Supplies	225,967	295,947
Other Services and Charges	295,747	310,542
Capital Outlay	9,500	19,301
Total Fire Department	<u>6,354,723</u>	<u>6,106,946</u>
Total Public Safety	<u>17,182,583</u>	<u>16,277,282</u>

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

For the Years Ended September 30, 2020 and 2019

-Continued-

	F.Y.E. 9/30/20	F.Y.E. 9/30/19
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,645,559	\$ 2,700,686
Supplies	298,369	353,489
Other Services and Charges	2,058,216	2,018,623
Capital Outlay	7,631	11,634
Total Public Works Department	<u>5,009,775</u>	<u>5,084,432</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,735,526	1,795,652
Supplies	298,733	373,501
Other Services and Charges	885,090	914,484
Capital Outlay	25,082	4,589
Total Park and Recreation Department	<u>2,944,431</u>	<u>3,088,226</u>
Aquatic Center:		
Personnel Services	335,256	393,055
Supplies	76,488	114,109
Other Services and Charges	323,184	361,706
Capital Outlay	2,050	14,655
Total Aquatic Center	<u>736,978</u>	<u>883,525</u>
Museum Department:		
Personnel Services	119,886	91,239
Supplies	3,574	8,726
Other Services and Charges	17,670	29,063
Total Museum Department	<u>141,130</u>	<u>129,028</u>
Total Culture and Recreation	<u>3,822,539</u>	<u>4,100,779</u>
Other Functions:		
Community Services:		
Other Services and Charges	1,094,256	1,034,895
Total Community Services	<u>1,094,256</u>	<u>1,034,895</u>

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

For the Years Ended September 30, 2020 and 2019

-Continued-

	F.Y.E. 9/30/20	F.Y.E. 9/30/19
EXPENDITURES-Continued		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	\$ 441,300	\$ 401,468
Interest	<u>174,657</u>	<u>164,520</u>
Total General Obligations	<u>615,957</u>	<u>565,988</u>
Total Debt Service	<u>615,957</u>	<u>565,988</u>
TOTAL EXPENDITURES	<u>33,004,674</u>	<u>32,226,952</u>
EXCESS OF REVENUES		
OVER EXPENDITURES	<u>5,914,023</u>	<u>6,703,657</u>
OTHER FINANCING SOURCES (USES):		
Transfers Out	(3,942,294)	(3,823,120)
Transfers In	<u>179,195</u>	<u>46,376</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,763,099)</u>	<u>(3,776,744)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER		
SOURCES OVER (UNDER) EXPENDITURES		
AND OTHER (USES)	<u>2,150,924</u>	<u>2,926,913</u>
FUND BALANCE - Beginning of year	<u>22,746,163</u>	<u>19,819,250</u>
FUND BALANCE - End of year	\$ <u>24,897,087</u>	\$ <u>22,746,163</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, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 477,492	\$ 496,738	\$ 19,246	\$ 462,853
Intergovernmental:				
State Shared Revenues	14,638	18,613	3,975	17,668
Miscellaneous Revenues:				
Interest	-	1,462	1,462	156
TOTAL REVENUES	<u>492,130</u>	<u>516,813</u>	<u>24,683</u>	<u>480,677</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	<u>502,904</u>	<u>502,904</u>	-	<u>494,454</u>
Total Community Services	<u>502,904</u>	<u>502,904</u>	-	<u>494,454</u>
TOTAL EXPENDITURES	<u>502,904</u>	<u>502,904</u>	-	<u>494,454</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,774)	13,909	24,683	(13,777)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>77,340</u>	<u>77,340</u>	-	<u>74,986</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>66,566</u>	91,249	\$ <u>24,683</u>	61,209
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(2,653)</u>		<u>16,131</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>88,596</u>		\$ <u>77,340</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, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental:				
State Shared Revenues	\$ 4,065,669	\$ 4,365,234	\$ 299,565	\$ 5,047,206
Federal Grants	700,000	699,229	(771)	-
Miscellaneous Revenues:				
Interest	15,000	42,383	27,383	52,514
Donations	-	-	-	1,000
Other	-	7,469	7,469	7,721
TOTAL REVENUES	4,780,669	5,114,315	333,646	5,108,441
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	730,620	623,245	107,375	704,138
Supplies	21,500	9,757	11,743	15,531
Other Services and Charges	2,314,705	1,376,720	937,985	1,681,228
Capital Expenditures	40,000	10,586	29,414	33,911
Total Community Services	3,106,825	2,020,308	1,086,517	2,434,808
Total Other Functions	3,106,825	2,020,308	1,086,517	2,434,808
TOTAL EXPENDITURES	3,106,825	2,020,308	1,086,517	2,434,808
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,673,844	3,094,007	1,420,163	2,673,633

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, 2020

With Comparative Totals for Year Ended September 30, 2019

-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
OTHER FINANCING SOURCES (USES):				
Transfers Out	\$ (1,673,844)	\$ (1,673,844)	\$ -	\$ (3,497,013)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,673,844)</u>	<u>(1,673,844)</u>	<u>-</u>	<u>(3,497,013)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	1,420,163	1,420,163	(823,380)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>3,176,675</u>	<u>3,176,675</u>	<u>-</u>	<u>3,890,154</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>3,176,675</u></u>	4,596,838	\$ <u><u>1,420,163</u></u>	3,066,774
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(53,010)</u>		<u>109,901</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>4,543,828</u></u>		\$ <u><u>3,176,675</u></u>

CITY OF TUPELO
FIREMEN & POLICEMEN RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 792,538	\$ 824,481	\$ 31,943	\$ 768,239
Intergovernmental Revenues:				
State Shared Revenues	24,296	30,894	6,598	29,325
Miscellaneous Revenues:				
Interest Income	-	2,814	2,814	365
TOTAL REVENUES	<u>816,834</u>	<u>858,189</u>	<u>41,355</u>	<u>797,929</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>612,500</u>	<u>609,216</u>	<u>3,284</u>	<u>573,296</u>
Total Police Department	<u>612,500</u>	<u>609,216</u>	<u>3,284</u>	<u>573,296</u>
Fire Department:				
Personnel Services	<u>262,500</u>	<u>261,093</u>	<u>1,407</u>	<u>245,698</u>
Total Fire Department	<u>262,500</u>	<u>261,093</u>	<u>1,407</u>	<u>245,698</u>
Total Public Safety	<u>875,000</u>	<u>870,309</u>	<u>4,691</u>	<u>818,994</u>
TOTAL EXPENDITURES	<u>875,000</u>	<u>870,309</u>	<u>4,691</u>	<u>818,994</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,166)	(12,120)	46,046	(21,065)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>45,368</u>	<u>45,368</u>	-	<u>39,658</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(12,798)</u>	33,248	\$ <u>46,046</u>	18,593
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(4,404)</u>		<u>26,775</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>28,844</u>		\$ <u>45,368</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, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ 10,000	\$ 13,617	\$ 3,617	\$ 9,961
TOTAL REVENUES	10,000	13,617	3,617	9,961
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	10,000	13,617	3,617	9,961

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, 2020
With Comparative Totals for Year Ended September 30, 2019
-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
OTHER FINANCING SOURCES				
(USES):				
Transfers In	\$ 2,215,120	\$ 2,215,120	\$ -	\$ 1,915,120
Transfers Out	<u>(2,225,120)</u>	<u>(1,711,526)</u>	<u>513,594</u>	<u>(1,969,972)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,000)</u>	<u>503,594</u>	<u>513,594</u>	<u>(54,852)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	517,211	517,211	(44,891)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>186,532</u>	<u>186,532</u>	<u>-</u>	<u>231,423</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>186,532</u>	703,743	\$ <u>517,211</u>	186,532
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>703,743</u>		\$ <u>186,532</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, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual	
REVENUES					
Miscellaneous:					
Interest	\$ -	\$ 14	\$ 14	\$ 14	
TOTAL REVENUES	<u>-</u>	<u>14</u>	<u>14</u>	<u>14</u>	
EXPENDITURES					
Other Services and Charges	<u>22,574</u>	<u>10,050</u>	<u>12,524</u>	<u>10,956</u>	
TOTAL EXPENDITURES	<u>22,574</u>	<u>10,050</u>	<u>12,524</u>	<u>10,956</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(22,574)</u>	<u>(10,036)</u>	<u>12,538</u>	<u>(10,942)</u>	
OTHER FINANCING SOURCES (USES):					
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(22,574)</u>	<u>(10,036)</u>	<u>12,538</u>	<u>(10,942)</u>	
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -					
Beginning of Year	<u>82,480</u>	<u>82,480</u>	<u>-</u>	<u>93,422</u>	
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -					
End of Year	\$ <u>59,906</u>	72,444	\$ <u>12,538</u>	82,480	
Adjustments to Generally Accepted Accounting Principles:					
Revenue Accruals		<u>-</u>		<u>-</u>	
FUND BALANCE (GAAP BASIS)					
End of Year		\$ <u>72,444</u>		\$ <u>82,480</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, 2020
With Comparative Totals for Year Ended September 30, 2019

F.Y.E. 9/30/2020				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual
REVENUES				
Charges for Sales & Services:				
Commissions	\$ 90,000	\$ 24,451	\$ (65,549)	\$ 51,843
Concessions & Other Sales	200,000	426,262	226,262	611,242
Direct Show Revenue	110,000	28,946	(81,054)	57,255
Parking	10,000	-	(10,000)	2,331
Service Charge	275,000	275,533	533	414,087
Rental Revenue	1,062,500	1,274,929	212,429	1,733,991
Personnel Service Fees	314,170	209,072	(105,098)	333,253
Miscellaneous Revenues:				
Advertising Agency Fee	600,000	952,741	352,741	480,838
Other	312,500	311,489	(1,011)	276,255
Interest	25,000	22,930	(2,070)	18,874
TOTAL REVENUES	2,999,170	3,526,353	527,183	3,979,969
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,448,330	1,336,656	111,674	1,627,207
Supplies	450,500	329,986	120,514	392,286
Other Services and Charges	1,887,000	1,646,838	240,162	2,554,966
Capital Outlay	300,000	195,479	104,521	389,368
Total Coliseum Operations	4,085,830	3,508,959	576,871	4,963,827
TOTAL EXPENDITURES	4,085,830	3,508,959	576,871	4,963,827
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(1,086,660)	17,394	1,104,054	(983,858)

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, 2020
With Comparative Totals for Year Ended September 30, 2019
-Continued-

	F.Y.E. 9/30/2020				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual	
OTHER FINANCING SOURCES (USES):					
Transfer from Coliseum Project	\$ 725,830	\$ 393,976	\$ (331,854)	\$ 659,822	
TOTAL OTHER FINANCING SOURCES (USES)	<u>725,830</u>	<u>393,976</u>	<u>(331,854)</u>	<u>659,822</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(360,830)	411,370	772,200	(324,036)	
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -					
Beginning of Year	<u>537,666</u>	<u>537,666</u>	<u>-</u>	<u>794,716</u>	
FUND BALANCE (DEFICIT) (NON-GAAP) BUDGETARY BASIS) -					
End of Year	\$ <u>176,836</u>	949,036	\$ <u>772,200</u>	470,680	
Adjustments to Generally Accepted Accounting Principles:					
Revenue Accruals		<u>(233,604)</u>		<u>66,986</u>	
FUND BALANCE (DEFICIT) (GAAP BASIS)					
End of Year		\$ <u>715,432</u>		\$ <u>537,666</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, 2020
With Comparative Totals for Year Ended September 30, 2019

F.Y.E. 9/30/2020				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ -	\$ (10,000)	\$ -
Fines and Forfeitures	100,000	111,211	11,211	60,432
Miscellaneous Revenues:				
Interest	20,000	21,894	1,894	23,299
Other	110,000	119,424	9,424	80,922
TOTAL REVENUES	240,000	252,529	12,529	164,653
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	68,500	13,791	54,709	29,597
Other Services and Charges	360,500	123,772	236,728	163,244
Capital Outlay	157,500	24,470	133,030	273,571
Total Police Department	586,500	162,033	424,467	466,412
TOTAL EXPENDITURES	586,500	162,033	424,467	466,412
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(346,500)	90,496	436,996	(301,759)
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(49,100)	(49,100)	-	(46,376)
TOTAL OTHER FINANCING SOURCES (USES)	(49,100)	(49,100)	-	(46,376)

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

Year Ended September 30, 2020

With Comparative Totals for Year Ended September 30, 2019

-Continued-

F.Y.E. 9/30/2020				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (395,600)	\$ 41,396	\$ 436,996	\$ (348,135)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,390,536</u>	<u>1,390,536</u>	<u>-</u>	<u>1,738,671</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>994,936</u></u>	1,431,932	\$ <u><u>436,996</u></u>	1,390,536
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>1,431,932</u></u>		\$ <u><u>1,390,536</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, 2020
With Comparative Totals for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2019 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 318	\$ 318	\$ -
TOTAL REVENUES	<u>-</u>	<u>318</u>	<u>318</u>	<u>-</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Other Services and Charges	<u>160,000</u>	<u>155,956</u>	<u>4,044</u>	<u>217,489</u>
TOTAL EXPENDITURES	<u>160,000</u>	<u>155,956</u>	<u>4,044</u>	<u>217,489</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(160,000)</u>	<u>(155,638)</u>	<u>(3,726)</u>	<u>(217,489)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(160,000)</u>	<u>4,362</u>	<u>(3,726)</u>	<u>(217,489)</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>7,511</u>	<u>7,511</u>	<u>-</u>	<u>225,000</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(152,489)</u>	11,873	\$ <u>(3,726)</u>	7,511
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>11,873</u>		\$ <u>7,511</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. This is a major fund.

Thoroughfare Fund Phase 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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	\$ -	\$ 57,292	\$ 57,292	\$ -
State Shared Revenues	48,166	48,166	-	60,824
Miscellaneous Revenues:				
Interest	-	5,408	5,408	4,657
TOTAL REVENUES	<u>48,166</u>	<u>110,866</u>	<u>62,700</u>	<u>65,481</u>
EXPENDITURES				
Supplies	-	-	-	-
Capital Outlay	252,300	46,595	205,705	61,466
TOTAL EXPENDITURES	<u>252,300</u>	<u>46,595</u>	<u>205,705</u>	<u>61,466</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(204,134)	64,271	268,405	4,015
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>346,885</u>	<u>346,885</u>	-	<u>342,870</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	<u>\$ 142,751</u>	411,156	<u>\$ 268,405</u>	346,885
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 411,156</u>		<u>\$ 346,885</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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020		Variance	F.Y.E.
	Budget	Actual	Favorable	9/30/2019
			(Unfavorable)	Actual
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ -	\$ 18,296	\$ 18,296	\$ 51,278
Miscellaneous Revenues:				
Interest	-	4,234	4,234	1,595
Other	200,000	707,743	507,743	5,000
TOTAL REVENUES	200,000	730,273	530,273	57,873
EXPENDITURES				
Other Services and Charges	50,000	50,000	-	-
Capital Outlay	261,985	150,858	111,127	164,146
TOTAL EXPENDITURES	311,985	200,858	111,127	164,146
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(111,985)	529,415	641,400	(106,273)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	75,517	75,517	-	181,790
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ (36,468)	604,932	\$ 641,400	75,517
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ 604,932		\$ 75,517

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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 4,922,594	\$ 5,120,705	\$ 198,111	\$ 4,771,656
Intergovernmental Revenues:				
State Shared Revenues	150,909	191,889	40,980	182,143
Federal Grants	750,000	44,497	(705,503)	-
Miscellaneous Revenues:				
Interest	25,000	90,437	65,437	86,397
TOTAL REVENUES	<u>5,848,503</u>	<u>5,447,528</u>	<u>(400,975)</u>	<u>5,040,196</u>
EXPENDITURES				
Personnel Services	103,155	99,821	3,334	64,337
Other Services and Charges	1,269,000	727,018	541,982	1,395,721
Capital Outlay	9,476,348	5,389,159	4,087,189	1,937,299
TOTAL EXPENDITURES	<u>10,848,503</u>	<u>6,215,998</u>	<u>4,632,505</u>	<u>3,397,357</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,000,000)</u>	<u>(768,470)</u>	<u>4,231,530</u>	<u>1,642,839</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>6,252,771</u>	<u>6,252,771</u>	<u>-</u>	<u>4,443,626</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u><u>1,252,771</u></u>	5,484,301	\$ <u><u>4,231,530</u></u>	6,086,465
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(27,358)</u>		<u>166,306</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>5,456,943</u></u>		\$ <u><u>6,252,771</u></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.

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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2019 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 3,423,500	\$ 3,558,597	\$ 135,097	\$ 3,316,295
Intergovernmental Revenues:				
State Shared Revenues	104,881	133,363	28,482	126,589
Miscellaneous Revenues:				
Interest	15,000	11,490	(3,510)	15,792
Other	-	500	500	1,491,842
TOTAL REVENUES	3,543,381	3,703,950	160,569	4,950,518
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	5,690,000	5,541,613	148,387	4,306,613
Interest	1,449,115	1,238,144	210,971	1,554,328
Paying Agent Fees	25,000	18,702	6,298	18,276
TOTAL EXPENDITURES	7,164,115	6,798,459	365,656	5,879,217
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,620,734)	(3,094,509)	526,225	(928,699)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	1,581,751	2,086,216	504,465	1,407,163
TOTAL OTHER FINANCING SOURCES (USES)	1,581,751	2,086,216	504,465	1,407,163

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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019
-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (2,038,983)	\$ (1,008,293)	\$ 1,030,690	\$ 478,464
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>2,174,734</u>	<u>2,174,734</u>	<u>-</u>	<u>1,580,687</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>135,751</u>	1,166,441	\$ <u>1,030,690</u>	2,059,151
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(19,014)</u>		<u>115,583</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>1,147,427</u>		\$ <u>2,174,734</u>

CITY OF TUPELO
WATER G.O. BONDS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020		Variance	F.Y.E.
	Budget	Actual	Favorable	9/30/2019
			(Unfavorable)	Actual
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	\$ 4,200,000	\$ 3,638,940	\$ (561,060)	\$ 3,711,893
Miscellaneous Revenues:				
Interest	-	35,836	35,836	133,272
TOTAL REVENUES	4,200,000	3,674,776	(525,224)	3,845,165
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	340,000	340,000	-	325,000
Interest	281,372	281,372	-	333,593
Paying Agent Fees	12,433	12,433	-	7,820
Refunding Bond Issuance Costs	-	-	-	238,675
Total Debt Service	633,805	633,805	-	905,088
TOTAL EXPENDITURES	633,805	633,805	-	905,088
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	3,566,195	3,040,971	(525,224)	2,940,077
OTHER FINANCING SOURCES (USES):				
Proceeds from Refunding Bonds	-	-	-	6,385,000
Bond Premium Received	-	-	-	702,970
Debt Service - Principal on Refunding Bonds	-	-	-	(6,690,000)
Transfer (to) from Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	(3,900,845)	(3,649,326)	251,519	(7,957,814)
TOTAL OTHER FINANCING				
SOURCES (USES)	(3,900,845)	(3,649,326)	251,519	(7,559,844)

CITY OF TUPELO
WATER G.O. BONDS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

-Continued-

	F.Y.E. 9/30/2020		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2019 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (334,650)	\$ (608,355)	\$ (273,705)	\$ (4,619,767)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>5,381,175</u>	<u>5,381,175</u>	<u>-</u>	<u>10,000,942</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>5,046,525</u></u>	4,772,820	\$ <u><u>(273,705)</u></u>	5,381,175
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>4,772,820</u></u>		\$ <u><u>5,381,175</u></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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2019 Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 41,890	\$ 31,587	\$ (10,303)	\$ 31,587
Miscellaneous Revenues:				
Interest	-	1,087	1,087	1,209
TOTAL REVENUES	41,890	32,674	(9,216)	32,796
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	35,000	35,000	-	35,000
Interest	1,890	1,890	-	3,745
Paying Agent Fees	5,000	750	4,250	750
Total Debt Service	41,890	37,640	4,250	39,495
TOTAL EXPENDITURES	41,890	37,640	4,250	39,495
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,966)	(4,966)	(6,699)
OTHER FINANCING SOURCES (USES):				
Transfer from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

Year Ended September 30, 2020

With Comparative Actual Amounts for Year Ended September 30, 2019

-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ (4,966)	\$ (4,966)	\$ (6,699)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>70,155</u>	<u>70,155</u>	<u>-</u>	<u>76,854</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>70,155</u></u>	65,189	\$ <u><u>(4,966)</u></u>	70,155
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>65,189</u></u>		\$ <u><u>70,155</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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 64,150	\$ 204,235	\$ 140,085	\$ 187,046
Miscellaneous Revenues:				
Interest	-	10,305	10,305	8,648
TOTAL REVENUES	64,150	214,540	150,390	195,694
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	50,000	50,000	-	45,000
Interest	12,150	12,150	-	14,175
Paying Agent Fees	2,000	850	1,150	850
Total Debt Service	64,150	63,000	1,150	60,025
TOTAL EXPENDITURES	64,150	63,000	1,150	60,025
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	151,540	151,540	135,669
OTHER FINANCING SOURCES (USES):				
Transfer from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

Year Ended September 30, 2020

With Comparative Actual Amounts for Year Ended September 30, 2019

-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 151,540	\$ 151,540	\$ 135,669
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>684,732</u>	<u>684,732</u>	<u>-</u>	<u>549,063</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>684,732</u>	836,272	\$ <u>151,540</u>	684,732
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>836,272</u>		\$ <u>684,732</u>

CITY OF TUPELO
URBAN RENEWAL BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	-
Total Debt Service	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019
-Continued-

	F.Y.E. 9/30/2020		Variance	F.Y.E.
	Budget	Actual	Favorable	9/30/2019
			(Unfavorable)	Actual
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND				
OTHER SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
Beginning of Year, as previously stated	220,025	220,025	-	220,025
Prior Period Adjustment	(220,025)	(220,025)	-	-
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS)-				
Beginning of Year, as restated	-	-	-	220,025
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
End of Year	\$ -	-	\$ -	220,025
Adjustments to Generally Accepted				
Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ -		\$ 220,025

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, 2020
With Comparative Actual Amounts for Year Ended September 30, 2019

	F.Y.E. 9/30/2020			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2019 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 11,528	\$ 11,528	\$ 3,141
TOTAL REVENUES	-	11,528	11,528	3,141
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	656,309	656,309	-	-
Paying Agent Fees	12,000	2,000	10,000	-
Total Debt Service	668,309	658,309	10,000	-
TOTAL EXPENDITURES	668,309	658,309	10,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(668,309)	(646,781)	21,528	3,141
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	-	-	-	1,345,147
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	1,345,147

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, 2020

With Comparative Actual Amounts for Year Ended September 30, 2019

-Continued-

	F.Y.E. 9/30/2020			F.Y.E. 9/30/2019 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (668,309)	\$ (646,781)	\$ 21,528	\$ 1,348,288
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,348,288</u>	<u>1,348,288</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>679,979</u>	701,507	\$ <u>21,528</u>	1,348,288
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>701,507</u>		\$ <u>1,348,288</u>

AGENCY FUNDS

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

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

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

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

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

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

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

September 30, 2020
With Comparative Totals for September 30, 2019

	Metro Vice Seized Fund	City Court Restitution Fund	Self Insurance Fund	Arts Committee Fund	Totals	
					9/30/20	9/30/19
ASSETS						
Cash	\$ 223,954	\$ 6,964	\$ 479,861	764	\$ 711,543	682,103
Investments	-	-	500	-	500	500
TOTAL ASSETS	\$ 223,954	\$ 6,964	480,361	\$ 764	\$ 712,043	\$ 682,603
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 50,234	\$ -	\$ 50,234	\$ 50,709
Due to Complainants	-	6,964	-	-	6,964	6,964
Due to Arts Committee	-	-	-	764	764	754
Due to Insured Employees	-	-	430,127	-	430,127	408,773
Seized Money Held	223,954	-	-	-	223,954	215,403
TOTAL LIABILITIES	\$ 223,954	\$ 6,964	\$ 480,361	\$ 764	\$ 712,043	\$ 682,603

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2020

	Balance September 30, 2019	Debits	Credits	Balance September 30, 2020
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 215,403	\$ 295,291	\$ 286,740	\$ 223,954
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 69,607	\$ 69,607	\$ -
Seized Money Held	215,403	180,818	189,369	223,954
Total Liabilities	\$ 215,403	\$ 250,425	\$ 258,976	\$ 223,954
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 94	\$ 94	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
TUPELO ARTS COMMITTEE				
<u>ASSETS</u>				
Cash	\$ 754	\$ 10	\$ -	\$ 764
<u>LIABILITIES</u>				
Deposits - Arts Committee	\$ 754	\$ -	\$ 10	\$ 764
Total Liabilities	\$ 754	\$ -	\$ 10	\$ 764

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2020
-Continued-

	Balance September 30, 2019	Debits	Credits	Balance September 30, 2020
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 458,982	\$ 193,028	\$ 172,149	\$ 479,861
Investments	500	-	-	500
Total Assets	\$ 459,482	\$ 193,028	\$ 172,149	\$ 480,361
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,709	\$ 74,689	\$ 74,214	\$ 50,234
Due to Insured Employees	408,773	169,783	191,137	430,127
Total Liabilities	\$ 459,482	\$ 244,472	\$ 265,351	\$ 480,361
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 682,103	\$ 488,423	\$ 458,983	\$ 711,543
Investments	500	-	-	500
Total Assets	\$ 682,603	\$ 488,423	\$ 458,983	\$ 712,043
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,709	\$ 144,296	\$ 143,821	\$ 50,234
Seized Money Held	215,403	180,818	189,369	223,954
Deposits - Arts Committee	754	-	10	764
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	408,773	169,783	191,137	430,127
Total Liabilities	\$ 682,603	\$ 494,897	\$ 524,337	\$ 712,043

SUPPLEMENTARY INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2020

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
GOVERNMENTAL FUNDS:					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	N/A	Var	\$ 4,772,820
City Bond and Interest Fund	U.S. Government Securities Fund	Var	N/A	Var	675,177
Special Obligation Debt Service Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>701,507</u>
	Total Investments - Debt Service Funds				<u>6,149,504</u>
Capital Projects Funds:					
City Infrastructure Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>19,503</u>
	Total Investments - Capital Projects Funds				<u>19,503</u>
	Total Investments - Governmental Funds				<u>6,169,007</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	N/A	N/A	<u>500</u>
	Total Investments - Agency Funds				<u>500</u>
	Total Investments - Fiduciary Funds				<u>500</u>
	Total Investments - All Funds				<u>\$ 6,169,507</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2020

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2019	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2020	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
GENERAL OBLIGATION BONDS:									
General City Bonds									
G.O. - Series 2012	2.00% - 2.375%	5/1/12	11/1/32	\$ 5,160,000	\$ -	\$ (240,000)	\$ 4,920,000	\$ 250,000	\$ 101,863
G.O. - Series 2013	2.10% - 3.00%	4/10/13	9/30/33	5,160,000	-	(240,000)	4,920,000	250,000	112,789
G.O. - Series 2013	2.50% - 3.25%	9/1/13	9/30/28	1,965,000	-	(190,000)	1,775,000	200,000	50,800
G.O. - Series 2011	2.10% - 2.875%	12/1/11	12/1/30	3,175,000	-	(160,000)	3,015,000	165,000	71,233
G.O. Refunding - Series B	2.00% - 4.375%	6/21/11	7/1/23	2,225,000	-	(2,225,000)	-	-	-
G.O. - Series 2015	1.31% - 3.28%	7/28/15	7/1/29	3,500,000	-	(400,000)	3,100,000	400,000	88,890
G.O. Refunding - Series 2016	1.10% - 1.97%	1/28/16	2/1/22	2,315,000	-	(790,000)	1,525,000	810,000	21,335
G.O. - Series 2016	2.313% - 2.685%	5/12/16	4/1/36	5,700,000	-	(100,000)	5,600,000	100,000	144,718
G.O. Combined Refunding-Series 2016	3.00% - 5.00%	8/4/16	7/1/26	5,430,000	-	(1,345,000)	4,085,000	1,400,000	182,950
G.O. - Series 2017	2.00% - 5.00%	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	-	(340,000)	6,045,000	360,000	594,600
Total General City Bonds				51,015,000	-	(6,030,000)	44,985,000	3,935,000	1,700,878
Water Bonds									
Series 2008- Refunding Bonds	3.91% - 5.51%	12/17/08	12/1/33	675,000	-	-	675,000	-	-
Total Water Bonds				675,000	-	-	675,000	-	-
Special Assessments General Obligation Bonds									
Series 2000	Variable	8/1/00	8/1/20	35,000	-	(35,000)	-	-	-
Total Special Assessments General Obligations Bonds				35,000	-	(35,000)	-	-	-
TOTAL GENERAL OBLIGATION BONDS				51,725,000	-	(6,065,000)	45,660,000	3,935,000	1,700,878
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	1,091,590	-	(68,185)	1,023,405	69,627	29,750
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	782,834	-	(102,164)	680,670	105,230	20,420
Bank of America ESCO	2.62%	10/9/15	4/9/32	3,716,076	-	(243,364)	3,472,712	249,781	89,360
Capital Improvements Revolving Loan	3.00%	4/1/20	4/1/40	-	1,500,000	(27,586)	1,472,414	56,286	43,541
Total General City Notes Payable				5,590,500	1,500,000	(441,299)	6,649,201	480,924	183,071

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2020

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2019	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2020	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
OTHER LONG-TERM DEBT - Continued:									
Water and Sewer Notes Payable									
Drinking Water Loan	4.00%	9/1/05	5/1/25	\$ 395,359	\$ -	\$ (63,430)	\$ 331,929	\$ 66,014	\$ 12,076
Drinking Water Loan	1.95%	6/14/06	12/1/27	235,011	-	(26,516)	208,495	27,037	3,825
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	2,564,330	-	(361,068)	2,203,262	367,438	35,619
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	11,024,652	-	(1,266,900)	9,757,752	1,289,250	160,452
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	3,253,227	-	(171,844)	3,081,383	175,225	58,526
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	3,839,900	-	(206,112)	3,633,788	209,748	61,914
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	3,004,597	-	(159,395)	2,845,202	162,207	48,494
SRF - Annexed Water	1.95%	9/30/14	2/1/37	3,887,031	-	(189,287)	3,697,744	193,011	70,387
SRF - 2015 Water	1.95%	9/30/15	11/1/37	964,612	-	(44,688)	919,924	45,567	17,533
SRF - Annex Sewer 2014	1.75%	12/1/19	5/1/39	8,369,279	1,675,798	(328,001)	9,717,076	444,081	166,498
SRF - Life Station 2020	1.75%	In progress		-	2,160,522	-	2,160,522	-	-
Total Water and Sewer Notes Payable				37,537,998	3,836,320	(2,817,241)	38,557,077	2,979,578	635,324
Special Obligation Bonds									
Series 2018 - Water and Sewer Dept.	2.00% - 5.00%	4/12/18	5/1/33	8,500,000	-	(465,000)	8,035,000	475,000	372,350
Series 2018 - Electric Department	2.00% - 5.00%	4/12/18	5/1/33	5,460,000	-	(300,000)	5,160,000	305,000	239,100
Series 2019 - General	4.00% - 5.00%	7/18/19	7/1/49	15,000,000	-	-	15,000,000	-	-
Series 2020 - General	3.00% - 5.00%	5/7/20	5/1/40	-	10,000,000	-	10,000,000	-	447,417
				28,960,000	10,000,000	(765,000)	38,195,000	780,000	1,058,867
Tax Increment Limited Obligation Bond	4.50%	5/13/09	5/1/24	270,000	-	(50,000)	220,000	50,000	9,900
Northeast MS Regional Water Supply District									
State Revolving Loan	3.00%	9/1/98	8/1/22	386,895	-	(170,812)	216,083	156,661	4,123
Tupelo Airport Authority									
Notes Payable	3.00%	9/1/00	8/1/22	87,151	-	(87,151)	-	-	-
TOTAL OTHER LONG-TERM DEBT				67,242,044	13,836,320	(3,890,204)	77,188,160	3,966,239	1,708,214
Bond Premiums				5,097,895	2,264,561	(398,061)	6,964,395	-	-
TOTAL LONG-TERM DEBT				\$ 129,655,439	\$ 17,600,881	\$ (10,794,564)	\$ 136,461,756	\$ 8,382,163	\$ 3,592,163

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2020

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
Adjusted Assessed Valuation:			
Realty	\$ 351,040,348	\$ 13,891,947	
Personal	103,311,256	15,078,818	
Personal - Auto (From County)	<u>62,634,578</u>	<u>4,518,745</u>	
Total Municipal at 96.57 Mills	\$ <u>516,986,182</u>		49,925,356
Total School at 64.10 Mills		\$ <u>33,489,510</u>	2,146,678
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 623,065	
School Homestead Reimbursement		428,247	
Prior Year Tax Collections		310,787	
Penalties and Interest		72,525	
In-Lieu Taxes		1,165,980	
Special Assessments		<u>31,587</u>	2,632,191
Less:			
Cost of Collections		326,883	
School Homestead Loss		<u>788,696</u>	1,115,579
TOTAL TO BE ACCOUNTED FOR			<u><u>53,588,645</u></u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2020
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 7,829,506	\$ 248,305	8,077,811
Special Assessments Fund	31,587	-	31,587
Tax Increment Bond Fund	198,826	-	198,826
City Bond & Interest Fund	3,539,583	133,363	3,672,946
Library Fund	494,085	18,613	512,698
Firemen & Policemen Retirement Fund	820,077	30,894	850,971
City Special Levy Street Improvements Fund	5,093,346	191,889	5,285,235
School Maintenance Fund	29,385,786	428,247	29,814,033
School Bond and Interest Fund	3,346,776	-	3,346,776
Tupelo/Lee County Vo-Tech	325	-	325
School Notes - Shortfall Note	1,646,103	-	1,646,103
	<u>52,386,000</u>	<u>1,051,311</u>	
Total Collections	\$ 52,386,000	\$ 1,051,311	53,437,311
Balance Represented By:			
Unpaid Property Taxes		\$ 151,324	
Unaccounted For (Over)		10	151,334
TOTAL ACCOUNTED FOR			<u>53,588,645</u>

CITY OF TUPELO
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2020

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	Travelers Casualty & Surety Co. of America
City of Tupelo	Per Councilman	100,000	Travelers Casualty & Surety Co. of America
Rhonda Cole	Court Clerk	50,000	Travelers Casualty & Surety Co. of America
Traci Carlock Dillard	Purchasing Clerk	50,000	Western Surety Company
Kizzy Guy	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America
Carol Langston Botts	Office Manager	50,000	Travelers Casualty & Surety Co. of America

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U.S. Department of Agriculture			
Natural Resources Conservation Service Grant	NR194423XXXC091	10.932	\$ 65,051
Total U.S. Department of Agriculture			\$ 65,051
U. S. Department of Justice			
Federal Equitable Sharing Agreement	MS0410100	16.000	\$ 57,292
Bulletproof Vest Partnership Program		16.607	650
Justice Assistance	2019-DJ-BX-0859	16.738	7,969
Byrne Memorial Justice Assistance Grant	2020-H1721-MS-VD	16.738	50,263
OCDETF	SE-MSN-0101	16.738	4,287
U.S. Marshall Service	JLEO-20-0410/MS041053N	16.Ukn	8,115
HIDTA Grant	667265901D3D	16.Ukn	9,627
Total U.S. Department of Justice			\$ 138,203
U. S. Department of Transportation			
Passed through State Office of: Mississippi Department of Transportation Highway Planning and Construction Grant	MS-19058 and MS-19526	20.205	\$ 44,497
Total U. S. Department of Transportation			\$ 44,497
U. S. Department of the Treasury			
Coronavirus Relief Fund	TR-Tupelo	21.019	\$ 99,062
Total U. S. Department of the Treasury			\$ 99,062
Appalachian Regional Commission			
Passed through State Office of: Mississippi Development Authority: Appalachian Regional Commission	MS-19058 and MS-19526	23.001	\$ 386,152
Total Appalachian Regional Commission			\$ 386,152

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
Environmental Protection Agency			
Passed through State Office of: Mississippi Department of Environmental Quality: Capitalization Grants for Clean Water State Revolving Funds*	SRF-C280885-06-3	66.458	\$ 1,123,910
Total Environmental Protection Agency			\$ 1,123,910
Executive Office of the President			
DEA State and Local Task Force Agreement	667265901D3D	95.001	\$ 16,720
Total Executive Office of the President			\$ 16,720
U. S. Department of Homeland Security			
Passed through State Office of: Mississippi Emergency Management Agency:			
Emergency Management Assistance	FEMA-4470-DR-MS	97.039	\$ 179,277
Homeland Security Grant	18HS366T	97.067	15,000
Homeland Security Grant	19HS366T	97.067	37,500
Homeland Security Grant	A19HS366T	97.067	968
Homeland Security Grant	S17LE366B	97.067	38,000
Total U. S. Department of Homeland Security			\$ 270,745
TOTAL FEDERAL EXPENDITURES			\$ 2,144,340

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, 2020. 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



**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, 2020, 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 25, 2021.

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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 25, 2021

**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, 2020. 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, 2020.

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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 25, 2021

**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2020**

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>66.458</u>	<u>Environmental Protection Agency – Capitalization Grants for Clean Water</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



**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable 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, 2020, and have issued our report thereon dated March 25, 2021. 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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 25, 2021